MONTANA LEGISLATIVE HISTORY

Chapter 661 1987

Bill H 233 S _____ Original bill & history ✓ C

H. Committee on Appropriations			S. Committee on Finance & Claims		
Hearing Date(s)	1-21	C	Hearing Date(s)	2-2	C
	1-22	out C		2-11	out C
		C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

The Law Library has no conference or free conference committee minutes.

4/03 SIGNED BY GOVERNOR
CHAPTER NUMBER 331 EFFECTIVE DATE: 10/01/87

HB 232 INTRODUCED BY THOMAS
INCREASE FEE FOR REVIVAL OF CORPORATION AFTER SUSPENSION OR FORFEITURE
BY REQUEST OF SECRETARY OF STATE

1/15	INTRODUCED		
1/15	REFERRED TO BUSINESS & LABOR		
1/15	FISCAL NOTE REQUESTED		
1/26	HEARING		
1/28	FISCAL NOTE RECEIVED		
2/06	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/10	2ND READING PASSED	97	0
2/10	REREFERRED TO APPROPRIATIONS		
2/12	HEARING		
2/14	COMMITTEE REPORT--BILL PASSED		
2/17	2ND READING PASSED	95	2
2/18	3RD READING PASSED	87	1
	TRANSMITTED TO SENATE		
2/19	REFERRED TO BUSINESS & INDUSTRY		
3/05	HEARING		
3/06	COMMITTEE REPORT--BILL CONCURRED		
3/10	2ND READING CONCURRED	50	0
3/10	SEGREGATED FROM COMMITTEE OF WHOLE REPORT	50	0
3/12	2ND READING CONCURRED	49	0
3/14	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE		
3/17	SIGNED BY SPEAKER		
3/17	SIGNED BY PRESIDENT		
3/18	TRANSMITTED TO GOVERNOR		
3/23	SIGNED BY GOVERNOR		

CHAPTER NUMBER 156 EFFECTIVE DATE: 10/01/87

HB 233 INTRODUCED BY BARDANOUVE
ESTABLISH STATE COMPENSATION PLANS/BENEFIT LEVELS AND 1988-89 PAY SCHEDULES
BY REQUEST OF DEPARTMENT OF ADMINISTRATION

1/15	INTRODUCED		
1/15	REFERRED TO APPROPRIATIONS		
1/15	FISCAL NOTE REQUESTED		
1/21	HEARING		
1/21	COMMITTEE REPORT--BILL PASSED		
1/21	FISCAL NOTE RECEIVED		
1/23	2ND READING PASSED	54	44
1/24	3RD READING PASSED	48	47
	TRANSMITTED TO SENATE		
1/26	REFERRED TO FINANCE & CLAIMS		
2/02	HEARING		
4/11	COMMITTEE REPORT--BILL CONCURRED		
4/14	2ND READING CONCURRED AS AMENDED	41	5
4/14	3RD READING CONCURRED	45	5
	RETURNED TO HOUSE WITH AMENDMENTS		
4/16	2ND READING AMENDMENTS NOT CONCURRED	95	0
4/17	CONFERENCE COMMITTEE APPOINTED		
4/21	CONFERENCE COMMITTEE DISSOLVED		

	SENATE		
4/21	CONFERENCE COMMITTEE APPOINTED	50	0
4/21	CONFERENCE COMMITTEE DISSOLVED	50	0
	HOUSE		
4/21	FREE CONFERENCE COMMITTEE APPOINTED		
4/21	FREE CONFERENCE COMMITTEE REPORT		
4/22	2ND READING FREE CONFERENCE COMMITTEE REPORT ADOPTED	89	2
4/22	3RD READING FREE CONFERENCE COMMITTEE REPORT ADOPTED	88	5
	SENATE		
4/21	FREE CONFERENCE COMMITTEE APPOINTED		
4/21	FREE CONFERENCE COMMITTEE REPORT		
4/22	2ND READING FREE CONFERENCE COMMITTEE REPORT ADOPTED	50	0
4/22	3RD READING FREE CONFERENCE COMMITTEE REPORT ADOPTED	47	1
4/23	SIGNED BY SPEAKER		
4/24	SIGNED BY PRESIDENT		
4/24	TRANSMITTED TO GOVERNOR		
5/19	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 661 EFFECTIVE DATE: 5/19/87		

HB 234 INTRODUCED BY MENAHAN
LIMIT TO IMMEDIATELY PREVIOUS YEAR ANY BACK TAXES OR FEES OWED ON A BOAT

1/15	INTRODUCED		
1/15	REFERRED TO TAXATION		
1/15	FISCAL NOTE REQUESTED		
1/21	FISCAL NOTE RECEIVED		
2/02	HEARING		
2/02	COMMITTEE REPORT--BILL PASSED		
2/04	2ND READING PASSED	93	6
2/05	3RD READING PASSED	90	7
	TRANSMITTED TO SENATE		
2/10	REFERRED TO TAXATION		
3/18	HEARING		
	DIED IN COMMITTEE		

HB 235 INTRODUCED BY ADDY
CLARIFY PENALTY FOR FAILURE TO OBEY SUBPOENA

1/16	INTRODUCED		
1/16	REFERRED TO JUDICIARY		
1/26	HEARING		
2/02	COMMITTEE REPORT--BILL PASSED		
2/04	2ND READING PASSED	99	0
2/05	3RD READING PASSED	97	0
	TRANSMITTED TO SENATE		
2/10	REFERRED TO JUDICIARY		
3/05	HEARING		
3/06	COMMITTEE REPORT--BILL CONCURRED		
3/10	2ND READING CONCURRED	50	0
3/12	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE		

HOUSE BILL NO. 233

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE HOUSE

JANUARY 15, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
JANUARY 21, 1987	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 22, 1987	PRINTING REPORT.
JANUARY 23, 1987	SECOND READING, DO PASS.
JANUARY 24, 1987	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 48; NOES, 47.
	TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 26, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
APRIL 11, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 14, 1987	SECOND READING, CONCURRED IN AS AMENDED.
	ON MOTION, RULES SUSPENDED TO PLACE BILL ON THIRD READING THIS DAY.
	THIRD READING, CONCURRED IN. AYES, 45; NOES, 5.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 16, 1987 — RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS NOT CONCURRED IN.

ON MOTION, CONFERENCE COMMITTEE REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 21, 1987 — ON MOTION, CONFERENCE COMMITTEE REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 21, 1987 — ON MOTION, CONFERENCE COMMITTEE DISSOLVED.

ON MOTION, FREE CONFERENCE COMMITTEE REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 21, 1987 — ON MOTION, FREE CONFERENCE COMMITTEE REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 21, 1987 — FREE CONFERENCE COMMITTEE REPORTED.

APRIL 22, 1987 — SECOND READING, FREE CONFERENCE COMMITTEE REPORT ADOPTED.

THIRD READING, FREE CONFERENCE COMMITTEE REPORT ADOPTED.

IN THE SENATE

APRIL 22, 1987 — FREE CONFERENCE COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 22, 1987 — SENT TO ENROLLING.

HOUSE BILL NO. 233

INTRODUCED BY [signature]

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1987~~ 1989, the:

(a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~49th~~ 50th legislature;

(b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~49th~~ 50th legislature; and

(c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~49th~~ 50th legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

INTRODUCED BILL
HB-233
Montana Legislative Council

(4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

Section 2. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for utilizing pay ~~schedules~~ schedule. (1) The pay ~~schedules~~ schedule provided in ~~2-18-311 and~~ 2-18-312 shall be implemented as follows:

(a) The pay schedule provided in ~~2-18-311~~ 2-18-312 indicates the annual compensation for the fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, for each grade and step for positions classified under the provisions of part 2 of this chapter.

~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal year ending June 30, 1987, for each grade and step for positions classified under the provisions of part 2 of this chapter.~~

~~(c)~~(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of probationary service. The anniversary date of an employee shall be established at the end of the probationary period in accordance with rules promulgated by the department.

~~(d)~~(c) (i) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 shall be that amount which corresponds to the grade and step occupied on the last day of the preceding fiscal year of ~~1985~~ 1987.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1987~~ 1989 shall be that amount which corresponds to the grade and step occupied on the last day of the fiscal year ~~1985~~ 1988.

~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

(2) The pay ~~schedules~~ schedule provided in ~~2-18-311 and~~ 2-18-312 and the provisions of subsection (1) of this section do not apply to those institutional teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313, 2-18-314, or 2-18-315.

(3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as follows:

(a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the contracted school term for teachers employed by institutions under the authority of the department of institutions for fiscal years ~~1986~~ 1988 and ~~1987~~ 1989.

(ii) The compensation of each teacher on the first day of the first pay period in July, ~~1985~~ 1987, shall be that amount which corresponds to his level of academic achievement and the step occupied on June 30, ~~1985~~ 1987.

(iii) The compensation of each teacher on the first day of the first pay period in July, ~~1986~~ 1988, shall be that amount which corresponds to his level of achievement and the step occupied on June 30, ~~1985~~ 1987.

(b) (i) The pay ~~schedules~~ schedule provided in 2-18-314 ~~indicate~~ indicates the maximum hourly compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for those employees in liquor store occupations who have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay ~~schedules~~ schedule provided in 2-18-315 ~~indicate~~ indicates the maximum hourly compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate

classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade occupied on the last day of the preceding fiscal year.

(4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective pay schedules provided in ~~2-18-311~~ 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, ~~1987~~ 1989.

(ii) In the event that negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July 1, ~~1985~~ 1987, retroactivity to that date may be negotiated.

(iii) In the event that negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July 1, ~~1985~~ 1987, members of the bargaining unit involved will continue to receive the compensation they were receiving as of June 30, ~~1985~~ 1987.

(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in ~~2-18-313~~ 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.

(5) The current wage or salary of an employee shall not be reduced by the implementation of the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315.

(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in ~~2-18-311--and~~ 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7) The department may develop programs which will enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances.

Insofar as the program may apply to employees within a collective bargaining unit, it shall be a negotiable subject under 39-31-305."

Section 3. Section 2-18-304, MCA, is amended to read:

"2-18-304. Longevity allowance. (1) In addition to the compensation provided for in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, each employee who has completed 5 years of uninterrupted state service shall receive the larger of $10 a month or 10% of the difference between the base compensation for his grade and step (where applicable) and the base compensation for the next highest grade and corresponding step (where applicable) multiplied by the number of completed, contiguous 5-year periods of uninterrupted state service. Service to the state is not interrupted by authorized leaves of absence.

(2) (a) For the purpose of determining years of service under this section, an employee must be credited with 1 year of service for each period of:

(i) 2,080 hours of service following his date of employment; an employee must be credited with 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in the pay period; or

(ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in any one month. An employee of a school at a state institution or the university system must be credited with 1 year of service if he is employed for an entire academic year.

(b) State agencies, other than the university system and a school at a state institution, shall use the method provided in subsection (2)(a)(i) to calculate years of service under this section."

Section 4. Section 2-18-305, MCA, is amended to read:

"2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the respective pay schedules provided in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the

case may be, represent the maximum amount allocated by the state for wages and group benefits, exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section, that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee who elects not to be covered by a state employee group benefit plan will receive as wages the amount shown in the appropriate pay schedule less the state contribution for group benefits as determined by 2-18-703.

(2) Employees may, through collective bargaining, determine the allocation of the amounts shown in the pay schedules provided in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the case may be, between wages and group benefits, except that in no case may the group benefits allocation be less than the amounts provided in 2-18-703."

Section 5. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedule for fiscal ~~year 1987~~ years 1988 and 1989. The statewide classification pay schedule for fiscal ~~year 1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080 Note: Includes Insurance

Pay Matrix -- State Matrix Type -- Annual

	STEP												
GRADE	1	2	3	4	5	6	7	8	9	10	11	12	13
1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933

9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617
22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	50,878	50,878	50,878	50,878
23	44,906	48,286	49,252	50,237	51,242	52,267	53,312	54,378	54,378	54,378	54,378	54,378	54,378
24	48,988	52,675	53,729	54,804	55,900	57,018	58,158	58,158	58,158	58,158	58,158	58,158	58,158
25	53,471	57,496	58,646	59,819	61,015	62,235	62,235	62,235	62,235	62,235	62,235	62,235	62,235"

Section 6. Section 2-18-313, MCA, is amended to read:

"2-18-313. Institutional teachers' pay schedules. ~~(1)-(a)--The--12-month--pay--schedule--for institutional-teachers-for-fiscal-year-1986-is-as-follows:~~

~~Annual-Hours----2080 Note:-Includes-Insurance~~

~~Pay-Matrix----Teachers Matrix-Type----Annual~~

~~Term----Twelve-Months --~~

~~Education-Level~~

~~YEARS-OF -~~

EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
(Step)	(Grade-1)	(Grade-2)	(Grade-3)	(Grade-4)	(Grade-5)	(Grade-6)
0	18,486	19,067	19,663	19,954	20,244	20,840
1	19,178	19,817	20,466	20,789	21,114	21,761
2	19,851	20,567	21,266	21,626	21,983	22,683
3	20,534	21,319	22,068	22,461	22,854	23,604
4	21,216	22,068	22,870	23,295	23,724	24,526
5	21,899	22,820	23,673	24,133	24,594	25,448
6	22,579	23,569	24,473	24,969	25,463	26,367
7	23,263	24,321	25,276	25,806	26,334	27,289
8	23,944	25,070	26,078	26,640	27,205	28,210
9	24,627	25,822	26,880	27,475	28,073	29,131
10	25,311	26,572	27,681	28,313	28,944	30,052

(b)--The 9-month pay schedule for institutional teachers for fiscal year 1986 is as follows:

Annual Hours----1480 Note:--Includes Insurance

Pay Matrix----Teachers Matrix Type----Annual

Term----Nine-Months --

Education Level

YEARS OF -

EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
(Step)	(Grade-1)	(Grade-2)	(Grade-3)	(Grade-4)	(Grade-5)	(Grade-6)
0	14,195	14,638	15,077	15,296	15,513	15,960
1	14,708	15,193	15,680	15,922	16,166	16,651
2	15,218	15,755	16,280	16,550	16,817	17,342
3	15,731	16,319	16,881	17,176	17,471	18,033

4	~~16,242~~	~~16,881~~	~~17,483~~	~~17,881~~	~~18,123~~	~~18,725~~
5	~~16,754~~	~~17,445~~	~~18,085~~	~~18,438~~	~~18,776~~	~~19,416~~
6	~~17,264~~	~~18,007~~	~~18,685~~	~~19,057~~	~~19,427~~	~~20,105~~
7	~~17,777~~	~~18,571~~	~~19,287~~	~~19,685~~	~~20,081~~	~~20,797~~
8	~~18,288~~	~~19,133~~	~~19,889~~	~~20,310~~	~~20,734~~	~~21,488~~
9	~~18,800~~	~~19,697~~	~~20,490~~	~~20,936~~	~~21,385~~	~~22,178~~
~~10~~	~~19,313~~	~~20,259~~	~~21,091~~	~~21,565~~	~~22,038~~	~~22,869~~

~~(2)--(a)~~(1) The 12-month pay schedule for institutional teachers for fiscal ~~year 1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080 Note: Includes Insurance

Pay Matrix -- Teachers Matrix Type -- Annual

Term -- Twelve Months

YEARS OF EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
	Education Level					
0	18,976	19,568	20,176	20,473	20,769	21,377
1	19,673	20,333	20,995	21,325	21,656	22,316
2	20,368	21,098	21,811	22,179	22,543	23,257
3	21,065	21,865	22,629	23,030	23,431	24,196
4	21,760	22,629	23,447	23,881	24,318	25,137
5	22,457	23,396	24,266	24,736	25,206	26,077
6	23,151	24,160	25,082	25,588	26,092	27,014
7	23,848	24,927	25,902	26,442	26,981	27,955
8	24,543	25,691	26,720	27,293	27,869	28,894

9	25,240	26,458	27,538	28,145	28,754	29,834
10	25,937	27,223	28,355	28,999	29,643	30,773

~~(b)~~(2) The 9-month pay schedule for institutional teachers for fiscal ~~year-1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 1480 Note: Includes Insurance

Pay Matrix -- Teachers Matrix Type -- Annual

Term -- Nine Months

	Education Level					
YEARS OF EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
0	14,592	15,036	15,492	15,715	15,937	16,393
1	15,115	15,610	16,106	16,354	16,602	17,097
2	15,636	16,184	16,718	16,994	17,267	17,803
3	16,159	16,759	17,332	17,633	17,933	18,507
4	16,680	17,332	17,945	18,271	18,599	19,213
5	17,203	17,907	18,560	18,912	19,265	19,918
6	17,723	18,480	19,172	19,551	19,929	20,621
7	18,246	19,055	19,787	20,192	20,596	21,326
8	18,767	19,628	20,400	20,830	21,262	22,031
9	19,290	20,204	21,014	21,469	21,926	22,736
10	19,813	20,777	21,626	22,109	22,592	23,440"

Section 7. Section 2-18-314, MCA, is amended to read:

"2-18-314. Liquor store occupations pay ~~schedules~~ schedule. ~~(1)~~ The pay schedule for liquor store occupations for fiscal ~~year-1986~~ years 1988 and 1989 is as follows:

~~Annual Hours----2080~~ ~~Note: With Insurance~~

~~Pay Matrix----Retail Clerk~~ ~~Matrix Type----Hourly~~

~~Grade~~	~~$/Hour~~
~~-~~	~~W/Ins.~~
~~L1~~	~~8.000~~
~~L2~~	~~7.404~~
~~L3~~	~~7.904~~
~~L4~~	~~8.184~~
~~L5~~	~~8.474~~
~~L6~~	~~9.084~~
~~L7~~	~~9.748~~
~~L8~~	~~10.492~~

~~(2) The pay schedule for liquor store occupations for fiscal year 1987 is as follows:~~

Annual Hours -- 2080 Note: With Insurance

Pay Matrix -- Retail Clerk Matrix Type -- Hourly

Grade	$/Hour
	W/Ins.
L1	8.000
L2	7.683
L3	8.183
L4	8.463
L5	8.753
L6	9.363
L7	10.023
L8	10.773"

Section 8. Section 2-18-315, MCA, is amended to read:

"2-18-315. Blue-collar pay ~~schedules~~ schedule. ~~(1)~~ The pay schedule for blue-collar workers for fiscal ~~year 1986~~ years 1988 and 1989 is as follows:

~~Annual Hours 2080~~	~~Note: With Insurance~~
~~Pay Matrix Blue Collar~~	~~Matrix Type Hourly~~
Grade	$/Hour
	W/Ins.
~~B1~~	~~7.836~~
~~B2~~	~~8.236~~
~~B3~~	~~8.636~~
~~B4~~	~~9.036~~
~~B5~~	~~9.436~~
~~B6~~	~~9.836~~
~~B7~~	~~10.236~~
~~B8~~	~~10.636~~
~~B9~~	~~11.036~~
~~B10~~	~~11.436~~
~~B11~~	~~11.836~~
~~B12~~	~~12.236~~
~~B00~~	~~12.636~~

~~(2) The pay schedule for blue collar workers for fiscal year 1987 is as follows:~~

Annual Hours -- 2080	Note: With Insurance
Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
Grade	$/Hour
	W/Ins.

B1	8.153
B2	8.553
B3	8.953
B4	9.353
B5	9.753
B6	10.153
B7	10.553
B8	10.953
B9	11.353
B10	11.753
B11	12.153
B12	12.553
B00	12.953"

Section 9. Section 2-18-703, MCA, is amended to read:

"2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this section towards the group benefits cost.

(2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the legislature, the employer contribution for group benefits shall be ~~$105~~ $115 per month for the fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, and $115 per month for each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than $10 per month.

(4) Unused employer contributions for any state employee shall be transferred to an account established for this purpose by the department and upon such transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member."

NEW SECTION. Section 10. Repealer. Section 2-18-311, MCA, is repealed.

NEW SECTION. Section 11. Effective date. This act is effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB233 , as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:
An act establishing state employee compensation plans and benefit levels; providing pay schedules for fiscal years 1988 and 1989; amending Sections 2-18-301, 2-18-303 through 2-18-305, 2-18-312 through 2-18-315, and 2-18-703, MCA; repealing Section 2-18-311, MCA; and providing an immediate effective date.

ASSUMPTIONS:
1. Executive Budget FY88 and FY89 salary levels are at current FY87 level.

FISCAL IMPACT:
None.

David L Hunter DATE 1/21/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Bardanouve DATE Jan 22
FRANCIS BARDANOUVE, PRIMARY SPONSOR

Fiscal Note for HB233, as introduced.

HB-233

CHAIRMAN--REP. GENE DONALDSON
SECRETARY-DENISE THOMPSON
NORMAL SCHEDULE==> SITE: ROOM 104

COMMITTEE--(H) APPROPRIATIONS
DAYS: MON THRU FRI TIME: 8:00 A.M.

* BILL NO **		DATE / LATEST ACTION	
HB 1	A	01/16 (H) SIGNED BY GOVERNOR	
		SPON-DONALDSON, GENE	TITLE-FEED BILL
HB 2	A	05/01 (H) TRANSMITTED TO GOVERNOR	
		SPON-DONALDSON, GENE	TITLE-GENERAL APPROPRIATIONS ACT OF 1987
HB 3	A	03/25 (H) SIGNED BY GOVERNOR	
		SPON-DONALDSON, GENE	TITLE-BUDGET AMENDMENTS
HB 4	A	07/01 (H) CHAPTER NUMBER	
		SPON-THOFT, BOB	TITLE-CULTURAL AND AESTHETIC GRANTS APPROPRIATION AND RELATED ISSUES
HB 5	A	04/16 (H) SIGNED BY GOVERNOR	
		SPON-THOFT, BOB	TITLE-LONG-RANGE BUILDING PROGRAM BILL
HB 6	A	04/16 (H) SIGNED BY GOVERNOR	
		SPON-THOFT, BOB	TITLE-RESOURCE INDEMNITY TRUST GRANTS PROGRAM
HB 7	A	04/16 (H) SIGNED BY GOVERNOR	
		SPON-THOFT, BOB	TITLE-WATER DEVELOPMENT PROGRAM GRANTS AND LOANS
HB 20	A	07/01 (H) CHAPTER NUMBER	
		SPON-HANSON, MARIAN	TITLE-CREATING AN INTERIM LEGISLATIVE COMMITTEE ON INDIAN AFFAIRS
HB 28		04/01 (H) CHAPTER NUMBER	
		SPON-JENKINS, LOREN	TITLE-CHANGING DISTRIBUTION OF GVW FINES FOR OFFENSE ON COUNTY MAINTAINED ROADS
HB 29		10/01 (H) CHAPTER NUMBER	
		SPON-BARDANOUVE, FRANCIS	TITLE-MOVING STATE LAND RECORDS TO DEPARTMENT OF STATE LANDS
HB 38	A	04/15 (S) 2ND READ INDEFINITE POSTPONED	MAZUREK
		SPON-PAVLOVICH, BOB	TITLE-REVISING VETERANS' AND HANDICAPPED PERSONS' EMPLOYMENT PREFERENCE ACT
HB 40		02/21 (H) TABLED IN COMMITTEE	(H) APPROPRIATIONS
		SPON-GLASER, BILL	TITLE-ESTABLISH A 100% MONTANA LIMITED BLENDED GRAIN MARKETING PROGRAM
HB 86	A	03/18 (H) TABLED IN COMMITTEE	(H) APPROPRIATIONS
		SPON-ASAY, TOM	TITLE-CREATES AN AGRICULTURAL MARKETING PROGRAM IN THE DEPARTMENT OF AGRICULTURE
HB 155	R	04/30 (H) DIED IN PROCESS	
		SPON-BARDANOUVE, FRANCIS	TITLE-EXTENDING INCREASES IN AUTOMOBILE LICENSING FEES BY STRIKING TERMINATIONS
HB 180		07/01 (H) CHAPTER NUMBER	
		SPON-FRITZ, HARRY	TITLE-ALLOW AGENCY TO BUY SUPPLIES USING ADVERTISED/CATALOG PRICES IN SOME CASES
HB 185	A	04/30 (H) DIED IN COMMITTEE	
		SPON-MANUEL, REX	TITLE-FUNDING FOR FAMILY PRACTICE RESIDENCY TRAINING PROGRAM
HB 187	A	03/20 (H) TABLED IN COMMITTEE	(H) APPROPRIATIONS
		SPON-MANUEL, REX	TITLE-SPRING WHEAT BREEDING PROGRAM
HB 189		03/22 (H) CHAPTER NUMBER	
		SPON-PAVLOVICH, BOB	TITLE-TRANSFER ADMINISTRATION VIDEO POKER MACHINE LAW FROM REVENUE TO COMMERCE
HB 201		03/05 (H) TABLED IN COMMITTEE	(H) APPROPRIATIONS
		SPON-CAMPBELL, BUD	TITLE-ABOLISHING DEPT OF INSTITUTIONS AND TRANSFERRING ITS FUNCTIONS
HB 214		02/13 (S) ADVERSE COM RPT ADOPTED	(S) FINANCE & CLAIMS
		SPON-BROWN, JAN	TITLE-AUTHORIZING INCREASED EMERGENCY OR DISASTER EXPENDITURES BY GOVERNOR
HB 216		02/07 (H) BILL KILLED	
		SPON-DAILY, FRITZ	TITLE-ALLOWING APPROPRIATION TO FOUNDATION PROGRAM OF PERMANENT COAL TRUST FUNDS
HB 217	A	03/18 (H) TABLED IN COMMITTEE	(H) APPROPRIATIONS
		SPON-ADDY, KELLY	TITLE-APPROPRIATING $500,000 FOR IN-HOME SERVICES
HB 221		03/06 (H) TABLED IN COMMITTEE	(H) APPROPRIATIONS
		SPON-GILBERT, BOB	TITLE-TRANSFER GAS TAX ADMINISTRATION FROM DEPT OF REVENUE TO DEPT OF HIGHWAYS
HB 232		10/01 (H) CHAPTER NUMBER	
		SPON-THOMAS, FRED	TITLE-INCREASE FEE FOR REVIVAL OF CORPORATION AFTER SUSPENSION OR FORFEITURE
HB 233		04/24 (H) TRANSMITTED TO GOVERNOR	
		SPON-BARDANOUVE, FRANCIS	TITLE-ESTABLISH STATE COMPENSATION PLANS/BENEFIT LEVELS AND 1988-89 PAY SCHEDULES
HB 243	A	04/02 (S) ADVERSE COM RPT ADOPTED	(S) FINANCE & CLAIMS
		SPON-HARPER, HAL	TITLE-STATUTORY APPROPRIATION OF PART OF LICENSE FEES FOR LOCAL HEALTH INSPECTIONS
HB 248		07/01 (H) CHAPTER NUMBER	
		SPON-SIMON, BRUCE	TITLE-RECOVERY OF STATEWIDE CENTRALIZED SERVICE COSTS
HB 259		06/30 (H) CHAPTER NUMBER	
		SPON-WINSLOW, CAL	TITLE-REIMBURSE STATE EMPLOYEES FOR ANY TAXES ON IN-STATE LODGING

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the Appropriations Committee was called to order by Vice-Chairman Rep. Cal Winslow on January 21, 1987, at 1:30 p.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present except Rep. Donaldson who was excused, Reps. Rehberg and Spaeth who were absent, and Reps. Miller and Iverson arrived late. Also in attendance was Judy Rippingale, Legislative Fiscal Analyst, Tom Cleary, Legisative Intern, and Denise Thompson, Secretary.

HB 233:

Rep. Francis Bardanouve introduced HB 233 to the committee by saying HB 233 establishes compensation levels for the 1989 biennium at the 1987 level; a pay freeze.

Section 1 updates the current fiscal years to the 1989 biennium.

Section 2 updates the procedure for utilizing the pay schedule, deletes the step increases, deletes the provision that ratifies a cut in bargaining agreement.

Section 3,4,5,6, and 7 establishes a fiscal year of 1988 and 1989 pay schedules at the 1987 level which about 90 percent or 9,000 employees that come under that.

The teacher's pay plan--about 50 teachers, about 130 liquor store employees, and about 750 blue collar workers will come under that.

Section 8. Establishes the FY 1988 and 1989 insurance level at $115 per month which is the present level.

Blue Collar workers, about 330 highway employees have ratified and negotiated the pay plan for this biennium. They are the only employees that have ratified a settlement.

The bill does not require additional appropriations, it does not roll back any employees salaries. He stated that he was not presenting this bill with pride or joy but it is symbolic of the times that we are in, shortfalls on revenues, and no real economic upturn right now visible.

He referenced to arguments that a two year pay freeze will affect morale and the productivity of employees, but he has found most employees in these times, will probably prefer a firm job than a lay off or cut in salary. You must have a bill to set the schedules for state employees.

PROPONENTS:(11:A:8:55)

Mr. Rod Sunsted, Chief Negotiator for the executive branch and collective bargaining unit, stated he supported HB 233 (Exhibits 1 and 2). Mr. Sunsted explained some of the provisions of HB 233, discussed HB 233 relative to the present status of collective bargaining, and then discussed the competitiveness of state employees salaries in general.

Proposal on the Group Insurance Contribution--Mr. Sunsted stated they are proposing that $115 per month remain the same for the next two years of the biennium. It is expected, given the present reserves and given the cost containment measures already in place, that the $115 can maintain the existing benefits through the next biennium without any increase to the state or the employees.

Wages and salaries--The statewide pay schedule freezes the matrix and does not allow step increases either year except from step 1 to step 2, probationary status change.

Institutional teachers pay schedule--HB 233 freezes the schedule and also does not provide for step increases for experience but does allow for increases based on educational attainment.

Liquor store pay schedules--There are no steps in those schedules, they are by grade and would be frozen for both years of the biennium.

Blue collar schedules will also be frozen.

Collective bargaining has generally dictated the wages and benefit levels for state employees. The bargaining process this time has been slower this time than in the past. Partly because the Montana code requires us to present our pay plan schedules to the LFA by November 15th. Once it became known publicly that we were proposing a pay freeze, he felt it had a chilling effect on negotiations. We have reached agreement with one state employee bargaining agent, Public Employees Craft Council, who represent teamsters, machinists, operating engineers, painters and laborers in the Highway Maintenance Division and they are the largest bargaining agent on that blue collar pay schedule. He has not reached agreement with any union of any of the other pay schedules.

He referred to Exhibit 2, the Summary results of their biennial survey that they conduct each year. It is important to note how Montana salaries are in comparison to other states and also Montana employers. The salary survey shows that state of Montana salaries are lagging behind other states by about 12 percent. Last year salaries were about 8 percent behind, this year they are 12 percent behind. When compared to other Montana employers, the state is about on target, we are just slightly below. When comparing occupational groups, state employee salaries are at least competitive when they get into the professional and technical occupations.

House Bill 233 is not intended to be critical of the productivity of state employees, nor are we making any claim that state employees are over paid. We do however, believe that HB 233 is a fair proposal given the current economic conditions facing this state.

OPPONENTS:(12:A:12.00)

Mr. Tom Schneider, Executive Director, Montana Public Employees Association, stated that he understood the financial climate in the state. He stated that he opposed the bill with good reason. He stated that he has a bill which calls for a 12 percent increase, and mentioned that there also was a bill for a decrease. If they are dealing with a pay cut versus a pay freeze, then the freeze sounds pretty good. If they are dealing with a freeze versus an increase, then it sounds bad. Their position is maybe this is just a little premature, because when they are in the position to have a pay increase, its the last thing that's passed; if they are going to have a pay freeze, everyone wants that to be the first thing that passes.

One of the problems they have today is increased workload. People who have their areas cut so badly, are working at noon, through coffee breaks and taking work home at night. All of that is illegal under federal law, and somewhere down the road if they file a wage claim, the state will have to pay that. So the state has rules against them doing that. But these people are so concerned about getting the job done and the effect of their jobs on the public, they are actually taking their work home and doing it.

There are also morale problems from salary, stress, workload, and also because of the unknown. Productivity is a concern but he doesn't feel it is down because of what he has seen the employees doing.

He knows people are not overpaid, and that freezing wages is not going to keep us equal with some of the people doing like jobs in other states. It won't even keep up with inflation.

He stated that they only support the Insurance Benefits portion of the bill.

Mr. Schneider asked the committee to take a look at their bill and take a look at the whole financial picture before they just start the first block of balancing the budget on the backs of the employees.

(25.15)Terry Minnow, representing the Montana Federation of Teachers, Montana Federation of State Employees, asked that the committee oppose HB 233. The legislature instead should consider measures that would raise the revenue necessary to fund the state services that Montanans deserve and they are entitled to. More revenue must be raised to fund those services. Revenue neutral proposals will leave us in the same bind that we are in today. This bill represents a form of selective taxation. For state employees wages, to not keep up with inflation, is unfair. Dedicated state employees have been willing, in the past and continue to be, willing to pay their fair share of taxes.

(26:90)-Nadeen Jensen, Executive Director of Montana Council 9, AFL-CIO, opposed the bill because she felt it was untimely, it's too early in the session, they are still heavily in negotiations. With the passage of the bill it would curtail those negotiations.

(27.30)-Mr. Phil Campbell, representing the Montana Education Association reviewed a report which he presented to the committee (Exhibit 3). He discussed the large salary difference in the schedules in reference to the institution teacher's salaries in comparison to other schools. He asked the committee to vote no.

Rep. Iverson entered the meeting.

QUESTIONS:

Rep. Devlin asked Mr. Campbell if there were any teachers with a masters plus 10 or 17 years at either one of the institutions. Mr. Campbell stated he didn't think so, probably the longest is 10 years. Rep. Devlin asked whether there is summer employment or summer openings at Pine Hills or Mountain View. Are those teachers that teach there, a graat priority to get these jobs? Mr. Campbell stated he thought so.

(12:A:36.10)Rep. Quilici asked Mr. Schneider if these employees that are taking work home are doing so at the request of their employers. Mr. Schneider stated no, that would be against the law.

Rep. Poulsen asked Mr. Schneider how he would propose we continue all of the services and the payroll within the state and in turn improve the economy.

Mr. Schneider stated he recognized that changes had to be made in the tax base, both to take the burden off and spur the economy. We can't do that in the appropriations committee. He doesn't think it is unfair to penalize one segment of the population until you have gone through that particular area. You have to do all things at the same time instead of just singling out one group as being the corner stone to balance the budget.

Mr. Campbell stated he felt that should be approached now are the services that the state needs to provide, and then once that is determined say it costs this much money, now we have to figure out how to pay. He felt there was no question that we need to look at our taxing structure, our tax policies in the state, look at creating some changes so that business does get some incentives, and he thought we needed to look at broadening the tax base. He stated he was talking tax increases.

Rep. Bardanouve closed by saying that he felt there was a fair hearing, the remarks that the representatives of the employees of Montana were valid. They presented their remarks in a fine manner. They realize that we have a serious situation. He stated that he would much rather bring a pay increase to employees. This bill is not an increase, it also is not a pay cut. This is an attempt to make the best of a bad situation to hold their salary at the present level, and hopefully in 1989 the legislature will be able to offer employees an increase.

(12:B:11.56)Rep. Bardanouve moved to DO PASS HB 233.

The meeting was temporarily stopped to wait for Rep. Bradley and Menahan to return from another meeting so they could vote. The meeting was called back to order.

Reps. Menahan and Poulsen expressed concern with the institutions teachers stating that they felt those people should be removed and something different done with them.

Rep. Quilici called the question.

There was a roll call vote. Reps. Thoft, Winslow, Bardanouve, Bradley, Connelly, Devlin, Iverson, Manuel, Menke, Nathe, Poulsen, Swift, and Switzer voted YES. Reps. Menahan, Miller, Peck, and Quilici voted NO. The motion CARRIED by a vote of 13 to 4.(NOTE MINUTES FROM 1/22/87 FOR A VOTE CHANGE).

ADJOURNMENT

There being no further business before the committee, the meeting adjourned at 2:39 p.m.

Cal Winslow

Rep. Cal Winslow, Vice-Chairman

DAILY ROLL CALL

APPROPRIATIONS COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1/21/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE (Chairman)			✓
THOFT, BOB (Vice Chairman)	✓		
WINSLOW, CAL (Vice Chairman)	✓		
BARDANOUVE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓ late		
MANUEL, REX	✓		
MENAHAN, WILLIAM "RED"	✓		
MENKE, LARRY	✓		
MILLER, RON	✓ late		✓
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS		✓	
SPAETH, GARY		✓	
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

CS-30

ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE

DATE 1/21/87 BILL NO. HOUSE NUMBER 233

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman		
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman	✓	
Rep. Francis Bardanouve	✓	
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly	✓	
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel	✓	
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller		✓
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen	✓	
Rep. Joe Quilici		✓
Rep. Dennis Rehberg		
Rep. Gary Spaeth		
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY MOTION CARRIED. 13 4

DENISE THOMPSON
Secretary

REP. CAL WINSLOW
Chairman

MOTION: REP. BARDANOUVE MOVED THAT HB 233 DO PASS.

Form CS-31
Rev. 1985

EXHIBIT 1
DATE 1/21/87
HB 233

DEPARTMENT OF ADMINISTRATION
STATE PERSONNEL DIVISION

TED SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING

STATE OF MONTANA

(406) 444-3871

HELENA, MONTANA 59620

TESTIMONY OF ROD SUNDSTED, CHIEF NEGOTIATOR FOR THE EXECUTIVE BRANCH OF STATE GOVERNMENT IN COLLECTIVE BARGAINING, SUPPORTING HOUSE BILL 233

Mr. Chairman, Members of the Committee, my name is Rod Sundsted, and I am the Chief Negotiator for the Executive Branch of State Government in Collective Bargaining.

I appear before you today in support of HB 233, which is the Administration's proposal for state employees' salaries covering the Fiscal Year 88/89 biennium.

I would like to explain the provisions of HB 233, discuss HB 233 relative to the present status of collective bargaining, and discuss the competitiveness of state salaries in general.

HB 233, which is an integral part of the Governor's budget proposal, provides for the following:

Group Insurance Contribution

The State's contribution for group insurance would remain at the present $115 per month rate for both Fiscal Year 1988 and 1989 for all employees. It is expected, given the present reserves and cost containment measures in place, that the Plan can maintain present benefits through Fiscal Year 1989 with no increase from the State or employees.

Wages and Salaries

Statewide Pay Schedule - Over 90% of all executive branch state employees are on this matrix. For Fiscal Year 1988 and Fiscal Year 1989, the matrix would remain the same as the present Fiscal Year 1987 level. Except for advancement from Step 1 to Step 2 after the probationary period, employees would not be allowed to advance a step on the matrix during either Fiscal Year 1988 or Fiscal 1989.

Institutional Teachers Pay Schedule - Approximately 48 positions. This matrix would also be frozen at the Fiscal Year 1987 level for Fiscal Year 1988 and Fiscal Year 1989. Teachers would be allowed to advance based on educational attainment during Fiscal Year 1988 and Fiscal Year 1989, but would not be allowed to advance based on experience.

Leg-1/ROD

AN EQUAL OPPORTUNITY EMPLOYER

Liquor Store Pay Schedules - Approximately 145 positions. These employees would also be frozen at the Fiscal Year 1987 level for Fiscal Year 1988 and Fiscal Year 1989.

Blue Collar Pay Schedules - Approximately 740 positions. These employees would also be frozen at the Fiscal Year 1987 level for Fiscal Year 1988 and Fiscal Year 1989.

Collective bargaining has generally dictated wage and benefit levels for state employees. Although we are in negotiations with most major bargaining agents representing state employees, the bargaining process has been somewhat slower this year than in the past. I believe that part of the reason is that 17-7-111 and 17-7-112, MCA, requires that the executive branch submit its proposed pay plan schedules to the Legislative Fiscal Analyst by November 15. Once it became known that we were proposing a wage freeze, I believe it had a chilling effect on negotiations. To date, we have reached agreement with one of the nineteen bargaining agents representing state employees. The Public Employees Craft Union (Teamsters, Machinists, Operating Engineering, Painters, Laborers) has reached an agreement with the State containing a wage freeze. The Public Employees Craft Council represents approximately 330 employees in the Highway Department Maintenance Division that are paid under the Blue Collar pay schedule.

Along with the copy of my testimony, which I have handed out to you, I have attached a summary of the results of the State's 1986 Biennial Salary Survey. I would like to briefly touch on those results to give you an idea of the competitiveness of the state's salaries.

Salaries paid Montana Government employees continue to lag behind those of neighboring states. State employees are paid approximately 12% less, with the gap widening slowly. State of Montana salaries are only slightly below what other Montana employers pay their employees. The occupational groups where the State is least competitive are the Professional and Technical occupations.

In closing, I would like to emphasize that HB 233 is not intended to be critical of the productivity of state employees, nor do we think that state employees are overpaid. We do, however, believe that HB 233 is fair and reasonable given the current economic conditions facing the State and its citizens.

Leg-1/ROD

DATE 1/21/87
HB 233

SUMMARY OF RESULTS

PRESENTED TO
HOUSE APPROPRIATIONS COMMITTEE
JANUARY 1987

STATE EMPLOYEE SALARY

AND

BENEFIT SURVEY

1986

Prepared by:

Department of Administration
Personnel Division
Labor Relations and
Employee Benefits Bureau

SUMMARY OF RESULTS
STATE EMPLOYEE SALARY AND BENEFIT SURVEY - 1986

This report provides an overview of the results of the 1986 State Employee Salary and Benefit Survey conducted by the Department of Administration, Personnel Division. The final report will be presented to the Legislature at a later date.

The primary purpose of the State Salary and Benefit Survey is to measure the competitiveness of state government salaries and benefits with those labor markets most often used to recruit state government employees. State law (MCA 2-18-301) requires that state government provide adequate compensation to attract and retain competent employees to perform the services the state is required to provide its citizens.

State salaries were compared to salaries and benefits paid by other Montana employers and neighboring states. Job classes were selected to represent a cross section of occupational skill levels in state government.

The following general conclusions can be drawn from the survey results:

1. State government salaries continue to lag behind neighboring states. The gap has widened by approximately 4% since the previous survey in 1984. State salaries are comparable overall to other Montana employers.

2. State salaries paid by special pay matrices (retail clerks, blue collar crafts, teachers, and physicians) are near or below average when compared to other Montana employers and neighboring states.

3. Half of the employers surveyed anticipate salary increases for 1987. State Government will not keep pace with those employers.

4. Over half of the employers surveyed have a pay system for increasing salaries for more productive employees. State government does not have a merit pay system.

5. State government's monthly contribution to group insurance is comparable to other employers.

6. State government's retirement contribution is slightly below neighboring states but is comparable to other Montana employers.

7. State government provides comparable leave time to neighboring states, but provides more leave time when compared to Montana employers.

Two tables and a graph are presented in this summary from the survey data. Table 1 shows the 1986 survey results compared to surveys conducted in the previous three bienniums. Table 2 compares state government salaries by general occupational group to other Montana employers and neighboring states from the 1986 survey data. The graph visually shows the comparison by general occupational group.

The final report will contain descriptions of the comparisons made between occupational groups, job classes, and job grades, and will describe the methodologies used in survey design and analysis.

SS-Sum/DEBI

TABLE 2
COMPETITIVENESS OF STATE AVERAGE OR MIDPOINT SALARIES BY GENERAL OCCUPATIONAL GROUP

General Occupational Group*	Employer Sample	Percent State Is Above (Below) Survey
Professional	Neighboring States	(12.9)
	Montana	(1.3)
Technical	Neighboring States	(9.3)
	Montana	1.4
Clerical	Neighboring States	(1.3)
	Montana	(1.3)
Crafts	Neighboring States	(2.1)
	Montana	0.8
Miscellaneous	Neighboring States	11.2
	Montana	1.8

*The survey results were divided into five general occupational groups shown in Table 2. Each general occupational group contains occupational sub-groups which contain specific job titles. The general occupational groups shown contain the following sub-groups:

Professional
Engineering & Architecture
Computer Science
Nursing
Other Health
Education
Accounting
General Business & Economics
Top Officials
Forestry/Agricultural Sciences
Biological Sciences
Other Physical & Life Sciences
Behavioral Sciences
Medicine
Dentistry
Veterinary Medicine
Pharmacy
Law
Art, Photo, Journ., Radio/TV
Protective Sciences
Planning
Aviation
Library & Archival Sciences
Hospital Administration

Technical
Engineering & Architecture
Computer Science
Health
Forestry/Agricultural Sciences
Other Physical & Life Sciences
Behavioral Sciences
Art, Photo, Journal., Radio/TV
General Business
Protective Services
Electronics
Library & Archival Sciences

Clerical
General
Accounting
Shipping & Receiving
Computer Science

Crafts
Structural
Machine Operator & Mechanics
Personal Services

Miscellaneous
Personal & Domestic
Custodian
Unskilled - Semi-skilled
Retail Sales
Miscellaneous Services

EXHIBIT
DATE 1/27/87
HB 233

SALARY INFORMATION FOR INSTITUTION SCHOOLS

PREPARED BY

MONTANA EDUCATION ASSOCIATION

1987

CHANGES IN AMOUNT OF SALARY SCHEDULES 2786786786807 OVER 2702301386817
FOR SCHOOL DIST.MOUNTAIN VIEW SCHOOL (STATE)
AND SCHOOL DIST.HELENA DIST #1
(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-2,168	-2,244	-2,322	-2,625	-2,943	-3,017
2	-2,265	-2,350	-2,434	-2,776	-3,108	-3,203
3	-2,354	-2,436	-2,532	-2,916	-3,273	-3,387
4	-2,451	-2,551	-2,653	-3,067	-3,437	-3,573
5	-2,540	-2,638	-2,765	-3,209	-3,611	-3,757
6	-2,637	-2,765	-2,880	-3,358	-3,775	-3,952
7	-2,727	-2,850	-2,985	-3,499	-3,941	-4,139
8	-2,824	-2,965	-3,093	-3,648	-4,104	-4,324
9	-2,913	-3,072	-3,200	-3,790	-4,268	-4,509
10	-3,010	-3,166	-3,316	-3,931	-4,434	-4,674
11	-3,097	-3,270	-3,424	-4,081	-4,598	-4,890
12	-3,097	-3,353	-4,144	-4,861	-5,429	-5,780
13	-3,097	-3,953	-4,874	-5,651	-6,258	-6,670
14	-3,097	-3,953	-4,874	-6,431	-7,088	-7,560
15	-3,097	-3,953	-4,874	-6,431	-7,918	-8,450
16	-3,097	-3,953	-4,874	-6,431	-8,748	-9,350
17	-3,097	-3,953	-4,874	-6,431	-9,578	-10,240

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STATE: MONTANA
DISTRICT: MILES CITY DIST #1
ENROLLMENT: 2,002
NO. OF TEACHERS: 150
EFFECTIVE 7/86

STEPS	BA	BA+10	BA+20	BA+30	MA	MA+10
1	14,630	15,160	15,700	15,980	16,240	16,770
2	15,260	15,840	16,440	16,750	17,030	17,610
3	15,890	16,530	17,190	17,530	17,820	18,460
4	16,520	17,220	17,940	18,300	18,610	19,310
5	17,150	17,910	18,680	19,080	19,400	20,160
6	17,780	18,590	19,430	19,850	20,190	21,010
7	18,400	19,280	20,170	20,630	20,980	21,860
8	19,030	19,970	20,920	21,400	21,770	22,710
9	19,660	20,660	21,670	22,180	22,560	23,550
10	20,290	21,350	22,410	22,950	23,350	24,400
11	20,920	22,030	23,160	23,730	24,140	25,250
12	...	22,720	23,910	24,510	24,930	26,100
13	...	...	24,650	25,280	25,720	26,950
14	...	...	25,400	26,060	26,510	27,800
15	...	...	26,140	26,830	27,300	28,650
16	...	...	...	...	28,090	29,490

ATTAINMENT LEVEL 4.5

STATE: MONTANA
DISTRICT: MILES CITY DIST #1
ENROLLMENT: 2,002
NO. OF TEACHERS: 150
EFFECTIVE 7/86

STEPS	BA	BA+10	BA+20	BA+30	MA	MA+10
1	1.0000	1.0362	1.0731	1.0923	1.1100	1.1463
2	1.0431	1.0827	1.1237	1.1449	1.1640	1.2037
3	1.0861	1.1299	1.1750	1.1982	1.2180	1.2618
4	1.1292	1.1770	1.2262	1.2509	1.2720	1.3199
5	1.1722	1.2242	1.2768	1.3042	1.3260	1.3780
6	1.2153	1.2707	1.3281	1.3568	1.3800	1.4361
7	1.2577	1.3178	1.3787	1.4101	1.4340	1.4942
8	1.3008	1.3650	1.4299	1.4627	1.4880	1.5523
9	1.3438	1.4122	1.4812	1.5161	1.5420	1.6097
10	1.3869	1.4593	1.5318	1.5687	1.5960	1.6678
11	1.4299	1.5058	1.5830	1.6220	1.6500	1.7259
12	...	1.5530	1.6343	1.6753	1.7040	1.7840
13	...	...	1.6849	1.7280	1.7580	1.8421
14	...	...	1.7362	1.7813	1.8120	1.9002
15	...	...	1.7867	1.8339	1.8660	1.9583
16	...	...	...	...	1.9200	2.0157

ATTAINMENT LEVEL 4.5

CHANGES IN AMOUNT OF SALARY SCHEDULES [illegible] OVER [illegible]
FOR SCHOOL DIST.PINE HILLS (STATE SCHOOL)
AND SCHOOL DIST.MILES CITY DIST #1
(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-1,418	-1,504	-1,595	-1,695	-1,803	-1,757
2	-1,525	-1,610	-1,714	-1,776	-1,908	-1,993
3	-1,574	-1,726	-1,832	-1,916	-1,980	-2,087
4	-1,741	-1,841	-1,988	-2,047	-2,057	-2,183
5	-1,850	-1,956	-2,116	-2,189	-2,181	-2,307
6	-1,957	-2,068	-2,250	-2,318	-2,305	-2,472
7	-2,057	-2,180	-2,378	-2,459	-2,431	-2,619
8	-2,164	-2,295	-2,513	-2,588	-2,554	-2,764
9	-2,273	-2,412	-2,650	-2,730	-2,678	-2,899
10	-2,380	-2,525	-2,776	-2,861	-2,804	-3,044
11	-2,487	-2,633	-2,914	-3,001	-2,928	-3,190
12	-2,487	-2,733	-3,064	-3,731	-3,718	-4,040
13	-2,487	-2,733	-4,404	-4,551	-4,509	-4,890
14	-2,487	-3,733	-5,154	-5,331	-5,293	-5,740
15	-2,487	-3,733	-5,994	-6,101	-6,068	-6,590
16	-2,487	-3,733	-5,994	-6,101	-6,878	-7,430

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STATE: MONTANA

DISTRICT: COMPOSITE (Helena & Miles City Districts)

EFFECTIVE12/99 NO. OF TEACHERS: 686 ENROLLMENT: 10

STEP	BA	BA+15	BA+30	BA+45	MA	MA+15
1	15,005	15,530	16,070	16,470	16,870	17,400
2	15,630	16,210	16,800	17,250	17,680	18,255
3	16,250	16,895	17,540	18,030	18,490	19,115
4	16,875	17,575	18,275	18,810	19,300	20,005
5	17,495	18,260	19,005	19,590	20,115	20,875
6	18,120	18,940	19,745	20,370	20,925	21,750
7	18,735	19,620	20,475	21,150	21,735	22,620
8	19,360	20,305	21,210	21,930	22,545	23,490
9	19,980	20,990	21,945	22,710	23,355	24,355
10	20,605	21,670	22,680	23,485	24,165	25,225
11	21,225	22,350	23,415	24,270	24,975	26,100
12	...	23,035	24,150	25,050	25,785	26,970
13	...	...	24,885	25,830	26,595	27,840
14	...	...	25,260	26,610	27,405	28,710
15	...	...	25,630	26,995	28,215	29,580
16	...	...	...	...	29,025	30,450
17	...	...	...	...	29,440	30,895

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CHANGES IN AMOUNT OF SALARY SCHEDULES ATTRIBUTABLE TO STEP ADVANCEMENT
FOR SCHOOL DIST. PINE HILLS (STATE SCHOOL) & Mountain View
AND SCHOOL DIST. COMPOSITE (Helena & Miles City Districts)
(COMPUTATION WAS MADE ON THE SAME STEP LEVEL OF TWO SCHEDULES.)

STEP	BA	BA+10	BA+20	BA+30	MA	MA+10
1	-1,797	-1,874	-1,958	-2,108	-2,210	-2,287
2	-1,895	-1,987	-2,074	-2,276	-2,458	-2,548
3	-1,994	-2,091	-2,202	-2,416	-2,617	-2,712
4	-2,094	-2,196	-2,307	-2,557	-2,747	-2,879
5	-2,195	-2,308	-2,440	-2,699	-2,896	-3,042
6	-2,297	-2,417	-2,583	-2,838	-3,040	-3,212
7	-2,392	-2,529	-2,687	-2,977	-3,186	-3,379
8	-2,494	-2,639	-2,817	-3,118	-3,329	-3,544
9	-2,593	-2,742	-2,925	-3,259	-3,473	-3,704
10	-2,695	-2,846	-3,048	-3,396	-3,617	-3,869
11	-2,792	-2,953	-3,169	-3,541	-3,763	-4,040
12	-2,792	-3,603	-3,904	-4,021	-4,873	-4,910
13	-2,792	-3,608	-4,079	-5,101	-5,083	-5,780
14	-2,792	-3,608	-5,114	-5,881	-6,193	-6,650
15	-2,792	-3,608	-5,784	-6,266	-7,003	-7,520
16	-2,792	-3,608	-5,784	-6,266	-7,813	-8,390
17	-2,792	-3,608	-5,784	-6,266	-8,623	-8,835

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VISITOR'S REGISTER

T. Perkins COMMITTEE

BILL(S) _____ DATE 1/21/86

SPONSOR(S) _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
Mary Kennedy	MPEA	HB233		X
Sid Campbell	MEA	HB233		X
Barbara Cross	AFSCME	HB233		X
Marvin L. Adams	MFCW	HB233		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEM
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETA

FORM CS-33
Rev. 1985

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on January 22, 1987, at 1:30 p.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting except Rep. Winslow and Rep. Iverson who were absent. Also present were Judy Rippingale, Legislative Fiscal Analyst, Denise Thompson, Secretary and Tom Cleary, Legislative Intern.

HB 185:

Rep. Rex Manuel, District 11, presented the HB 185 to the committee for their consideration. He stated that the appropriation for this bill was $70,000. This program has been very successful in the past for the amount of money that has been appropriated. It's been run in a very frugal, and efficient manner.

PROPONENTS(12:A:2.20)

Sandy Norris, Executive Director, Montana Family Practice Residency Satellite Program, explained the statistical profile which was distributed (Exhibit 1). Ms. Norris stated that the program is where they provide a service to the full three-year practice residencies and invite their residences to come into our state for a month or two of their training. We actually borrow residents, they come into Montana and spend a month training. We get to participate from the standpoint of post-graduate medical education, very economically, plus we get the opportunity to expose these newly trained physicians to practice opportunities in a rural setting on what the lifestyle is like, many other benefits that I'm sure will become evident. They do have a Board of Directors, are incorporated as a non-profit organization, have representatives of the Montana Academy of Family Physicians, Montana Medical Association, Montana Hospital Association, and advisors from the Department of Health and the Office of the Governor.

(12:A:5.57)Budget--they operate the administrative office with $35,000 a year. They have all resident expenses paid for by local communities. Rural communities need family physicians. The return on the investment shows they now have 114 resident positions come into the state, 16 of whom either are currently practicing here or will be practicing here in July.

FORENSIC LAB:(12:B:.33)

Rep. Connelly requested the committee to reconsider the supplemental on the Forensic Unit. Chairman Donaldson asked her if she could just bring it up on the floor as the bill had already been prepared and gone to print.

(12:B:4.20)Rep. Lory did speak to the committee regarding this issue. He stated that right after the session that he went over to the building and looked at it. The building was a total disarray, the building was falling off, there were cracks you could see through every time the wind blew. It was a total disaster in his opinion. Also the forensic science tests have to have samples that have to be secure. Security was difficult to maintain. There were compressed gases stored in the back, and the back was falling off. At the time they looked at it, they did not have the financial situation that exists now. He stated that he said he felt they had to move. He said Ms. Hansen stated that the legislature was not in session. He told them that he thought they had to move and ask for a supplemental, because he didn't think the laboratory should remain in that condition. He also said that he thought it was an emergency, whether he gave them the right advice is up to the committee. He stated he didn't feel it was the intention of the Justice Department to be making an end run, he had advised them to do it.

Rep. Thoft asked Rep. Lory if the department had made any attempt to find other buildings which were more reasonable. Rep. Lory stated they had looked at other buildings, but for what they needed and the availability of buildings as well as costs, they picked a building that was the most adequate and reasonable.

YESTERDAY'S BUSINESS:

Rep. Bradley asked if she could change her vote from the previous meeting regarding HB 233 from yes to no. There was no objection from the committee. This changed the vote on HB 233 DO PASS to 12 to 5.

VACANCY SAVINGS:(12:B:7:02)

There was discussion regarding the vacancy savings for the institutions. Rep. Miller, Chairman of the Institutions Subcommittee distributed and explained a bill which he had drafted regarding the vacancy savings issue of 4 percent. He stated that the bill was approved by the subcommittee. He stated that it was a very good implement as far as providing money for the state. It is a good mechanism for the governor and legislature to get cuts.

HOUSE BILL NO. 233

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1987~~ 1989, the:

(a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~49th~~ 50th legislature;

(b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~49th~~ 50th legislature; and

(c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~49th~~ 50th legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

THIRD READING
HB-233
Montana Legislative Council

(4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

Section 2. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for utilizing pay ~~schedules~~ schedule. (1) The pay ~~schedules~~ schedule provided in ~~2-18-311 and~~ 2-18-312 shall be implemented as follows:

(a) The pay schedule provided in ~~2-18-311~~ 2-18-312 indicates the annual compensation for the fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, for each grade and step for positions classified under the provisions of part 2 of this chapter.

~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal year ending June 30, 1987, for each grade and step for positions classified under the provisions of part 2 of this chapter.~~

~~(c)~~(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of probationary service. The anniversary date of an employee shall be established at the end of the probationary period in accordance with rules promulgated by the department.

~~(d)~~(c) (i) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 shall be that amount which corresponds to the grade and step occupied on the last day of the preceding fiscal year of ~~1985~~ 1987.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1987~~ 1989 shall be that amount which corresponds to the grade and step occupied on the last day of the fiscal year ~~1985~~ 1988.

~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

(2) The pay ~~schedules~~ schedule provided in ~~2-18-311--and~~ 2-18-312 and the provisions of subsection (1) of this section do not apply to those institutional teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313, 2-18-314, or 2-18-315.

(3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as follows:

(a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the contracted school term for teachers employed by institutions under the authority of the department of institutions for fiscal years ~~1986~~ 1988 and ~~1987~~ 1989.

(ii) The compensation of each teacher on the first day of the first pay period in July, ~~1985~~ 1987, shall be that amount which corresponds to his level of academic achievement and the step occupied on June 30, ~~1985~~ 1987.

(iii) The compensation of each teacher on the first day of the first pay period in July, ~~1986~~ 1988, shall be that amount which corresponds to his level of achievement and the step occupied on June 30, ~~1985~~ 1987.

(b) (i) The pay ~~schedules~~ schedule provided in 2-18-314 ~~indicate~~ indicates the maximum hourly compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for those employees in liquor store occupations who have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay ~~schedules~~ schedule provided in 2-18-315 ~~indicate~~ indicates the maximum hourly compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate

classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade occupied on the last day of the preceding fiscal year.

(4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective pay schedules provided in ~~2-18-311~~ 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, ~~1987~~ 1989.

(ii) In the event that negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July 1, ~~1985~~ 1987, retroactivity to that date may be negotiated.

(iii) In the event that negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July 1, ~~1985~~ 1987, members of the bargaining unit involved will continue to receive the compensation they were receiving as of June 30, ~~1985~~ 1987.

(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in ~~2-18-313~~ 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.

(5) The current wage or salary of an employee shall not be reduced by the implementation of the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315.

(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in ~~2-18-311--and~~ 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7) The department may develop programs which will enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances.

Insofar as the program may apply to employees within a collective bargaining unit, it shall be a negotiable subject under 39-31-305."

Section 3. Section 2-18-304, MCA, is amended to read:

"2-18-304. Longevity allowance. (1) In addition to the compensation provided for in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, each employee who has completed 5 years of uninterrupted state service shall receive the larger of $10 a month or 10% of the difference between the base compensation for his grade and step (where applicable) and the base compensation for the next highest grade and corresponding step (where applicable) multiplied by the number of completed, contiguous 5-year periods of uninterrupted state service. Service to the state is not interrupted by authorized leaves of absence.

(2) (a) For the purpose of determining years of service under this section, an employee must be credited with 1 year of service for each period of:

(i) 2,080 hours of service following his date of employment; an employee must be credited with 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in the pay period; or

(ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in any one month. An employee of a school at a state institution or the university system must be credited with 1 year of service if he is employed for an entire academic year.

(b) State agencies, other than the university system and a school at a state institution, shall use the method provided in subsection (2)(a)(i) to calculate years of service under this section."

Section 4. Section 2-18-305, MCA, is amended to read:

"2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the respective pay schedules provided in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the

case may be, represent the maximum amount allocated by the state for wages and group benefits, exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section, that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee who elects not to be covered by a state employee group benefit plan will receive as wages the amount shown in the appropriate pay schedule less the state contribution for group benefits as determined by 2-18-703.

(2) Employees may, through collective bargaining, determine the allocation of the amounts shown in the pay schedules provided in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the case may be, between wages and group benefits, except that in no case may the group benefits allocation be less than the amounts provided in 2-18-703."

Section 5. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedule for fiscal ~~year 1987~~ years 1988 and 1989. The statewide classification pay schedule for fiscal ~~year 1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080 Note: Includes Insurance

Pay Matrix -- State Matrix Type -- Annual

	STEP												
GRADE	1	2	3	4	5	6	7	8	9	10	11	12	13
1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933

9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617
22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	50,878	50,878	50,878	50,878
23	44,906	48,286	49,252	50,237	51,242	52,267	53,312	54,378	54,378	54,378	54,378	54,378	54,378
24	48,988	52,675	53,729	54,804	55,900	57,018	58,158	58,158	58,158	58,158	58,158	58,158	58,158
25	53,471	57,496	58,646	59,819	61,015	62,235	62,235	62,235	62,235	62,235	62,235	62,235	62,235"

Section 6. Section 2-18-313, MCA, is amended to read:

"2-18-313. Institutional teachers' pay schedules. ~~(1) (a) The 12-month pay schedule for institutional teachers for fiscal year 1986 is as follows:~~

~~Annual Hours ---- 2080~~ ~~Note: Includes Insurance~~

~~Pay Matrix ---- Teachers~~ ~~Matrix Type --- Annual~~

~~Term ---- Twelve Months~~ --

~~Education Level~~

~~YEARS OF~~ -

EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
(Step)	(Grade-1)	(Grade-2)	(Grade-3)	(Grade-4)	(Grade-5)	(Grade-6)
0	18,486	19,067	19,663	19,954	20,244	20,840
1	19,178	19,817	20,466	20,789	21,114	21,761
2	19,851	20,567	21,266	21,626	21,983	22,683
3	20,534	21,319	22,068	22,461	22,854	23,604
4	21,216	22,068	22,870	23,295	23,724	24,526
5	21,899	22,820	23,673	24,133	24,594	25,448
6	22,579	23,569	24,473	24,969	25,463	26,367
7	23,263	24,321	25,276	25,806	26,334	27,289
8	23,944	25,070	26,078	26,640	27,205	28,210
9	24,627	25,822	26,880	27,475	28,073	29,131
10	25,311	26,572	27,681	28,313	28,944	30,052

(b)--The 9-month pay schedule for institutional teachers for fiscal year 1986 is as follows:

Annual Hours----1480 Note:--Includes Insurance

Pay Matrix----Teachers Matrix Type----Annual

Term----Nine-Months --

Education Level

YEARS OF EXPERIENCE	BA	BA+1	BA+2	BA+3	MA	MA+1
(Step)	(Grade-1)	(Grade-2)	(Grade-3)	(Grade-4)	(Grade-5)	(Grade-6)
0	14,195	14,630	15,077	15,296	15,513	15,960
1	14,708	15,193	15,680	15,922	16,166	16,651
2	15,218	15,755	16,280	16,550	16,817	17,342
3	15,731	16,319	16,881	17,176	17,471	18,033

4	~~16,242~~	~~16,881~~	~~17,483~~	~~17,881~~	~~18,123~~	~~18,725~~
5	~~16,754~~	~~17,445~~	~~18,085~~	~~18,438~~	~~18,776~~	~~19,416~~
6	~~17,264~~	~~18,007~~	~~18,685~~	~~19,057~~	~~19,427~~	~~20,105~~
7	~~17,777~~	~~18,571~~	~~19,287~~	~~19,685~~	~~20,081~~	~~20,797~~
8	~~18,288~~	~~19,133~~	~~19,889~~	~~20,310~~	~~20,734~~	~~21,488~~
9	~~18,800~~	~~19,697~~	~~20,490~~	~~20,936~~	~~21,385~~	~~22,178~~
~~10~~	~~19,313~~	~~20,259~~	~~21,091~~	~~21,565~~	~~22,038~~	~~22,869~~

~~(2)--(a)~~(1) The 12-month pay schedule for institutional teachers for fiscal year ~~1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080

Pay Matrix -- Teachers

Term -- Twelve Months

Note: Includes Insurance

Matrix Type -- Annual

	Education Level					
YEARS OF EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
0	18,976	19,568	20,176	20,473	20,769	21,377
1	19,673	20,333	20,995	21,325	21,656	22,316
2	20,368	21,098	21,811	22,179	22,543	23,257
3	21,065	21,865	22,629	23,030	23,431	24,196
4	21,760	22,629	23,447	23,881	24,318	25,137
5	22,457	23,396	24,266	24,736	25,206	26,077
6	23,151	24,160	25,082	25,588	26,092	27,014
7	23,848	24,927	25,902	26,442	26,981	27,955
8	24,543	25,691	26,720	27,293	27,869	28,894

9	25,240	26,458	27,538	28,145	28,754	29,834
10	25,937	27,223	28,355	28,999	29,643	30,773

~~(b)~~(2) The 9-month pay schedule for institutional teachers for fiscal ~~year 1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 1480 Note: Includes Insurance

Pay Matrix -- Teachers Matrix Type -- Annual

Term -- Nine Months

	Education Level					
YEARS OF EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
0	14,592	15,036	15,492	15,715	15,937	16,393
1	15,115	15,610	16,106	16,354	16,602	17,097
2	15,636	16,184	16,718	16,994	17,267	17,803
3	16,159	16,759	17,332	17,633	17,933	18,507
4	16,680	17,332	17,945	18,271	18,599	19,213
5	17,203	17,907	18,560	18,912	19,265	19,918
6	17,723	18,480	19,172	19,551	19,929	20,621
7	18,246	19,055	19,787	20,192	20,596	21,326
8	18,767	19,628	20,400	20,830	21,262	22,031
9	19,290	20,204	21,014	21,469	21,926	22,736
10	19,813	20,777	21,626	22,109	22,592	23,440"

Section 7. Section 2-18-314, MCA, is amended to read:

"2-18-314. Liquor store occupations pay ~~schedules~~ schedule. ~~(1)~~ The pay schedule for liquor store occupations for fiscal ~~year 1986~~ years 1988 and 1989 is as follows:

~~Annual Hours----2080~~

~~Pay Matrix----Retail Clerk~~

~~Grade~~	~~Note: With Insurance Matrix Type----Hourly $/Hour W/Ins.~~
~~L1~~	~~8.000~~
~~L2~~	~~7.404~~
~~L3~~	~~7.904~~
~~L4~~	~~8.183~~
~~L5~~	~~8.474~~
~~L6~~	~~9.084~~
~~L7~~	~~9.748~~
~~L8~~	~~10.492~~

~~(2) The pay schedule for liquor store occupations for fiscal year 1987 is as follows:~~

Annual Hours -- 2080

Pay Matrix -- Retail Clerk

Grade	Note: With Insurance Matrix Type -- Hourly $/Hour W/Ins.
L1	8.000
L2	7.683
L3	8.183
L4	8.463
L5	8.753
L6	9.363
L7	10.023
L8	10.773"

Section 8. Section 2-18-315, MCA, is amended to read:

"2-18-315. Blue-collar pay ~~schedules~~ schedule. ~~(1)~~ The pay schedule for blue-collar workers for fiscal ~~year 1986~~ years 1988 and 1989 is as follows:

~~Annual Hours----2080~~	~~Note: With Insurance~~
~~Pay Matrix----Blue-Collar~~	~~Matrix Type----Hourly~~
Grade	$/Hour
-	W/Ins.
~~B1~~	~~7.836~~
~~B2~~	~~8.236~~
~~B3~~	~~8.636~~
~~B4~~	~~9.036~~
~~B5~~	~~9.436~~
~~B6~~	~~9.836~~
~~B7~~	~~10.236~~
~~B8~~	~~10.636~~
~~B9~~	~~11.036~~
~~B10~~	~~11.436~~
~~B11~~	~~11.836~~
~~B12~~	~~12.236~~
~~B00~~	~~12.636~~

~~(2) The pay schedule for blue-collar workers for fiscal year 1987 is as follows:~~

Annual Hours -- 2080	Note: With Insurance
Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
Grade	$/Hour
	W/Ins.

B1	8.153
B2	8.553
B3	8.953
B4	9.353
B5	9.753
B6	10.153
B7	10.553
B8	10.953
B9	11.353
B10	11.753
B11	12.153
B12	12.553
B00	12.953"

Section 9. Section 2-18-703, MCA, is amended to read:

"2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this section towards the group benefits cost.

(2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the legislature, the employer contribution for group benefits shall be ~~$105~~ $115 per month for the fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, and $115 per month for each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than $10 per month.

(4) Unused employer contributions for any state employee shall be transferred to an account established for this purpose by the department and upon such transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member."

NEW SECTION. Section 10. Repealer. Section 2-18-311, MCA, is repealed.

NEW SECTION. Section 11. Effective date. This act is effective on passage and approval.

-End-

4141433n.cwo

COMMITTEE OF THE WHOLE AMENDMENT

4-14-87
DATE

SENATE

2:33
TIME

MR. CHAIRMAN: I MOVE TO AMEND House Bill No. 233

third reading copy (blue) as follows:
Color

1. Title, line 6.
Following: "SECTIONS"
Insert: "2-18-104,"

2. Page 1, following line 10.
Insert: "Section 1. Section 2-18-104, MCA, is amended to read:

2-18-104. Exemption for personal staff -- limit. (1) Subject to the limitations in subsections (2) and (3), members of a personal staff are exempt from the application of 2-18-204, 2-18-205, 2-18-207, and 2-18-1011 through 2-18-1013.

(2) The personal staff who are exempted by subsection (1) may not exceed 10 unless otherwise approved by the department according to criteria developed by the department. Under no circumstances may the total exemption of each elected official exceed 15.

(3) The number of members of the personal staff of the public service commission who are exempted by subsection (1) may not exceed 10.

(4) A person occupying an exempt position under 2-18-103 or this section may not receive an increase in compensation in fiscal year 1988 or 1989.""

Renumber: subsequent sections

ADOPT
REJECT

Senator Walker

58

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

February 2, 1987

The third meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol to hear House Bill 233. The meeting was called to order at 5:15 p.m. by Chairman, Senator Regan.

ROLL CALL: All members present except Senator Stimatz who was excused.

CONSIDERATION OF HOUSE BILL 233: Representative Bardanouve, chief sponsor of House Bill 233 said this was a bill that he did not really enjoy presenting, but it was symbolic of the times. Our money is short, and you can sum this bill up very shortly by saying it is a pay freeze. It freezes in place all employees of Montana except the University System, which is not on this. This bill is several pages long but it is merely presenting the pay plan as it is now on the books and bringing it up to date. The first section, for example, brings the fiscal year up to the '89 biennium and section 2 updates the procedures to utilize the pay schedule, and there was some unnecessary language that was put there about bargaining units because there is no pay increases so there is no bargaining board for higher pay. The schedules in there are for the employees of Montana--it covers most of the employees of Montana. The portion on the teachers covers about 45 or 50 teachers. There is an allowance for increase if the teachers educational qualifications have increased since the prior year. The liquor store employees, it puts them in place where they are now. There are about 130 employees in the liquor area and in time there will be less employees as we go into more and more commission agencies. A few years ago we had 300 and some and there is less than half of that now and I would say in about 4 years there probably won't be any. The final schedule is the blue collar workers. Most of these are the workers in the blue collar profession--there is about 750 employees under the blue collar pay plan. The Executive branch has had negotiations and the operating engineers in the Highway Department has approved--they have signed off on the freeze. There's about 350 people who have signed off on this. There is continued insurance at the present level, and the Department says there is enough money in the insurance fund to fund the insurance for the employees. There is no appropriation with this bill as there is usually because

this is a revenue neutral bill. There is no additional money for pay because it freezes in place all pay, and also there is enough money in the insurance to pay for the insurance.

Representative Bardanouve continued by saying you realize there is probably a small pay cut in this bill. Not by legislation, but because we have always had some inflation and whatever inflation there is there will be a corresponding reduction in the actual pay. Inflation at present is at an all time low so it will not be so severe as it was a few years ago. Hopefully, 3 years from now we will be able to give our employees a raise.

Representative Bardanouve said he did not present this bill with any enthusiasm or joy but there are proposals, I understand, and there is comment that if the crunch gets worse that there could be a wage reduction. Montana is not alone in its financial obligations, and some governments in America have actually reduced wages for their employees. We have in the past attempted to reduce employees and kept the wages at the same level in the pay plan in the special session, and this will not reduce the number of employees. In visiting with people, many will say in these economic times that they would rather have a sure job than to be laid off and go out on the job market.

PROPONENTS TO HOUSE BILL 233: Rod Sundsted, Chief Negotiator for the Executive Branch of State Government in Collective Bargaining spoke in favor of House Bill 233. His testimony is attached as exhibit 1. He also passed out a summary of results on State Employee Salary and Benefit Survey 1986 which is attached as exhibit 2.

OPPONENTS TO HOUSE BILL 233: Thomas E. Schneider, Public Employees Association said we oppose this bill, but not totally. He said I do want you to know that we are not opposed to the section freezing the health insurance contributions. I am a member of the State Advisory Committee for Health Insurance. We are the people who control the plan, we looked at the reserves along with the consultants, and I feel that we can continue with the present level of health insurance benefits for the next 2 years without either increasing the state contribution or, more importantly, increasing the amount that the employees would have to pay for health insurance. The rest of the bill I am opposed to. I guess that is a difficult thing to say at the present time with the financial situation in the state, but there are a number of reasons that we oppose it, some more important than others. First of all, the bill does not freeze everyone, and I think there is a major concern on the part of the other employes who are frozen in this bill that it does not freeze everyone.

Mr. Schneider said the bill does not freeze the state investment officer who currently makes $95,000. It doesn't freeze anyone whose salary is controlled by the Governor, or whose salary is exempt from the classification and pay plan. It doesn't freeze legislative employees, it doesn't freeze judicial employees, and of course it doesn't freeze the University System as was already stated.

Mr. Schneider said if the only thing they had on the bargaining table was salaries there would be no choice, but there are a lot of things on the bargaining table that have nothing to do with salaries and there simply is no movement in those areas. He said we have the image that when there is a salary increase it is the last thing to pass through the Legislature. He said the minimal increases last time went through in April and this time we are saying that we can pass a wage freeze on Feb. 2 because that helps us to balance the budget. He said this does not send a very good message to the employees who work hard for the people of this state. He said he felt it would have a real effect in the areas they are concerned in. Work load, morale and productivity. Surrounding states are not so far ahead of us but3 or 4% and we will lose some good employees to those areas. He said the work load in some areas is becoming unmanageable. People are doing illegal things right now such as taking work home. It is illegal under the Fair Standards Act, and the State has policies against doing that, but the employee is trying to get the work done, and in some areas if they don't get the work done the public is going to suffer, and the people in the public who will suffer the most are the ones the employees don't want to make suffer--mainly in the welfare delivery. We have people doing illegal things to get the job done. He also mentioned we do fall behind the CPI, and that a wage freeze is more than a freeze, it will result in some sort of a loss. We lost one step in 1985 when the employees did not receive a step on the pay plan. This bill provides they will lose another 2 steps, so they are going further behind even though at the time they were hired the one thing they were told the state would give them was a step every year until they had reached the 13th step.

Mr. Schneider said we would ask that you not make a wage freeze the first block in building the budget.

Jim McGarvey, Montana Federation of Teachers and the Montana Federation of Employees, said he appeared in opposition to H.B. 233. He said he would ask that the committee first consider revenue measures that would raise the revenue necessary to fund the state services that Montanans deserve and are entitled to. It is our position that more revenue must be raised to fund these services. Revenue neutral proposals leave us in the same bind that we are in today, but in the process of raising more revenue we must also work

to insure that we improve our taxation system. We are proponents of a tax system that is progressive and fair. This bill represents a form of selective taxation. For state employees wages not to keep up with inflation is unfair.

Mr. McGarvey said that state employments have always been willing to pay their fair share of taxes. It is disconcerting to see that the Governor has projected an increase in the growth of personal income for all Montanans while proposing a drop in the purchasing power of state employees. He said this would result in a further drop in the morale of the state employees and it is bad for Montana when state employees feel their jobs are not valued and they seek employment elsewhere, and when our best and our brightest have to leave the state to support their families. Montana needs a good healthy system of state services to ensure positive growth and development for the future. He pointed out the inequities in the teachers profession, and said it is very difficult to fill some of the positions at Warm Springs and Boulder, especially the professional positions.

Deb Gabse, state employee from Boulder said she had not expected to be here, but her decision was based on concern for her family and other employees she worked with. She pointed out in these agencies consistency is very important especially at Boulder. Residents go through 3 shift changes and have to deal with 3 different sets of staff. In addition they have to deal with people coming and going because they are changing to other jobs primarily to get higher wages. She said she felt the people who could not express themselves deserved to have the Legislature consider them rather than the dollars it cost to serve them. She said she would rather pay more taxes and see more around to serve them for a long time.

QUESTIONS FROM THE COMMITTEE: Senator Smith asked Mr. Schneider if he was sure there was enough money to pay for the insurance or if it would be an emergency too. He was told there appears to be enough to have a good stable reserve, and that while they would not bankrupt the reserve in the next 2 years they would take the bulge out of it by the end of that time.

Senator Haffey asked Rod Sundsted if the 3% or 4% they lagged behind other states was the aggregate average or the professional and technical and was told in some cases we lag behind as much as 15% or 16% in some of the technical areas.

Senator Regan asked if they had those broken down by occupation and if so, how much for teachers. She was told it depends on where you are at on the matrix, and that in general they were about $3,000 behind and when you get out

to the bottom end the maximum is considerably more--about $8,000.

Senator Haffey asked in regard to the professional and technical, was he talking about the more mobile employees since he would suspect the salaries were lower there. Rod Sundsted answered that (referring to exhibit 2, back page) the professional and technical were considerably more behind than the clerical.

Senator Himsl said he was curious, did they have a breakdown of what was university, etc. on this and was told by Mr. Sundsted that he could get one and was asked to do so.

There were no further questions from the committee, Senator Regan declared the hearing closed, and the meeting was adjourned at 5:45 p.m.

Senator Pat Regan

ROLL CALL

50th LEGISLATIVE SESSION - - 1987 Date 2-2-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HIMSL	✓		
SENATOR JACOBSON	✓		
SENATOR BENGTSON	✓		
SENATOR STIMATZ			✓
SENATOR HARDING	✓		
SENATOR HAFFEY	✓		
SENATOR SMITH	✓		
SENATOR KEATING	✓		
SENATOR STORY	✓		
SENATOR BOYLAN	✓		
SENATOR JERGESON	✓		
SENATOR TVEIT	✓		
SENATOR MANNING	✓		
SENATOR HAMMOND	✓		
SENATOR GAGE	✓		

DATE 2-2-87

COMMITTEE ON Finance + Claims BILL NO. 233

VISITOR'S REGISTER

NAME	REPRESENTING	Check One: Support	Check One: Oppose
Louis Ebzery	[illegible]	-	
[illegible]	[illegible]		
Dan Murray	MFT/MFSE		
Maurice Mulcahy	M.F.T.		
[illegible]	Mt. State Bldg Trades		X
[illegible]	MPEA		X
Rod Sundsted	Dept. of Administration	X	
Deb Gabse	MDC/Teachers		X

(Please leave prepared statement with Secretary)

DEPARTMENT OF ADMINISTRATION
STATE PERSONNEL DIVISION

TED SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING

STATE OF MONTANA

(406) 444-3871

HELENA, MONTANA 59620

TESTIMONY OF ROD SUNDSTED, CHIEF NEGOTIATOR FOR THE EXECUTIVE BRANCH OF STATE GOVERNMENT IN COLLECTIVE BARGAINING, SUPPORTING HOUSE BILL 233

Madam Chairwoman, Members of the Committee, my name is Rod Sundsted, and I am the Chief Negotiator for the Executive Branch of State Government in Collective Bargaining.

I appear before you today in support of HB 233, which is the Administration's proposal for state employees' salaries covering the Fiscal Year 88/89 biennium.

I would like to explain the provisions of HB 233, discuss HB 233 relative to the present status of collective bargaining, and discuss the competitiveness of state salaries in general.

HB 233, which is an integral part of the Governor's budget proposal, provides for the following:

Group Insurance Contribution

The State's contribution for group insurance would remain at the present $115 per month rate for both Fiscal Year 1988 and 1989 for all employees. It is expected, given the present reserves and cost containment measures in place, that the Plan can maintain present benefits through Fiscal Year 1989 with no increase from the State or employees.

Wages and Salaries

Statewide Pay Schedule - Over 90% of all executive branch state employees are on this matrix. For Fiscal Year 1988 and Fiscal Year 1989, the matrix would remain the same as the present Fiscal Year 1987 level. Except for advancement from Step 1 to Step 2 after the probationary period, employees would not be allowed to advance a step on the matrix during either Fiscal Year 1988 or Fiscal 1989.

Institutional Teachers Pay Schedule - Approximately 48 positions. This matrix would also be frozen at the Fiscal Year 1987 level for Fiscal Year 1988 and Fiscal Year 1989. Teachers would be allowed to advance based on educational attainment during Fiscal Year 1988 and Fiscal Year 1989, but would not be allowed to advance based on experience.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1
DATE 2-2-87
BILL NO. HB 233

Leg-1/ROD

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publications & graphics

Liquor Store Pay Schedules - Approximately 145 positions. These employees would also be frozen at the Fiscal Year 1987 level for Fiscal Year 1988 and Fiscal Year 1989.

Blue Collar Pay Schedules - Approximately 740 positions. These employees would also be frozen at the Fiscal Year 1987 level for Fiscal Year 1988 and Fiscal Year 1989.

Collective bargaining has generally dictated wage and benefit levels for state employees. Although we are in negotiations with most major bargaining agents representing state employees, the bargaining process has been somewhat slower this year than in the past. I believe that part of the reason is that 17-7-111 and 17-7-112, MCA, requires that the executive branch submit its proposed pay plan schedules to the Legislative Fiscal Analyst by November 15. Once it became known that we were proposing a wage freeze, I believe it had a chilling effect on negotiations. To date, we have reached agreement with one of the nineteen bargaining agents representing state employees. The Public Employees Craft Union (Teamsters, Machinists, Operating Engineering, Painters, Laborers) has reached an agreement with the State containing a wage freeze. The Public Employees Craft Council represents approximately 330 employees in the Highway Department Maintenance Division that are paid under the Blue Collar pay schedule.

Along with the copy of my testimony, which I have handed out to you, I have attached a summary of the results of the State's 1986 Biennial Salary Survey. I would like to briefly touch on those results to give you an idea of the competitiveness of the state's salaries.

Salaries paid Montana Government employees continue to lag behind those of neighboring states. State employees are paid approximately 12% less, with the gap widening slowly. State of Montana salaries are only slightly below what other Montana employers pay their employees. The occupational groups where the State is least competitive are the Professional and Technical occupations.

In closing, I would like to emphasize that HB 233 is not intended to be critical of the productivity of state employees, nor do we think that state employees are overpaid. We do, however, believe that HB 233 is fair and reasonable given the current economic conditions facing the State and its citizens.

SUMMARY OF RESULTS

PRESENTED TO
SENATE FINANCE AND CLAIMS COMMITTEE
FEBRUARY 1987

STATE EMPLOYEE SALARY

AND

BENEFIT SURVEY

1986

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 2
DATE 2-2-87
BILL NO. HB 233

Prepared by:

Department of Administration
Personnel Division
Labor Relations and
Employee Benefits Bureau

SUMMARY OF RESULTS
STATE EMPLOYEE SALARY AND BENEFIT SURVEY - 1986

This report provides an overview of the results of the 1986 State Employee Salary and Benefit Survey conducted by the Department of Administration, Personnel Division. The final report will be presented to the Legislature at a later date.

The primary purpose of the State Salary and Benefit Survey is to measure the competitiveness of state government salaries and benefits with those labor markets most often used to recruit state government employees. State law (MCA 2-18-301) requires that state government provide adequate compensation to attract and retain competent employees to perform the services the state is required to provide its citizens.

State salaries were compared to salaries and benefits paid by other Montana employers and neighboring states. Job classes were selected to represent a cross section of occupational skill levels in state government.

The following general conclusions can be drawn from the survey results:

1. State government salaries continue to lag behind neighboring states. The gap has widened by approximately 4% since the previous survey in 1984. State salaries are comparable overall to other Montana employers.

2. State salaries paid by special pay matrices (retail clerks, blue collar crafts, teachers, and physicians) are near or below average when compared to other Montana employers and neighboring states.

3. Half of the employers surveyed anticipate salary increases for 1987. State Government will not keep pace with those employers.

4. Over half of the employers surveyed have a pay system for increasing salaries for more productive employees. State government does not have a merit pay system.

5. State government's monthly contribution to group insurance is comparable to other employers.

6. State government's retirement contribution is slightly below neighboring states but is comparable to other Montana employers.

7. State government provides comparable leave time to neighboring states, but provides more leave time when compared to Montana employers.

Two tables and a graph are presented in this summary from the survey data. Table 1 shows the 1986 survey results compared to surveys conducted in the previous three bienniums. Table 2 compares state government salaries by general occupational group to other Montana employers and neighboring states from the 1986 survey data. The graph visually shows the comparison by general occupational group.

The final report will contain descriptions of the comparisons made between occupational groups, job classes, and job grades, and will describe the methodologies used in survey design and analysis.

Ex. 2
2-2-87
H.B. 233

TABLE 1
COMPARISON TO PREVIOUS SURVEYS
OVERALL SALARY SURVEY RESULTS*

Employer Sample	Salary	Percent State Is Above (Below) Survey 1986	1984	1982	1980
Neighboring States	Minimum	(4.9)	(5.4)	(4.8)	(7.3)
	Maximum	(15.6)	(10.1)	(11.3)	(9.0)
	Average/Midpoint	(11.8)	(7.9)	(7.8)	(10.8)
	TOTAL COMPENSATION	(12.2)	(5.6)	(7.0)	(11.5)
Montana Employers	Minimum	(0.4)	(1.6)	7.0	(0.9)
	Maximum	(2.1)	0.3	7.7	(2.2)
	Average/Midpoint	(0.1)	(1.0)	5.0	(0.8)
	TOTAL COMPENSATION	(0.6)	1.6	9.7	(0.7)

*Sample size has changed somewhat over the years, but the numbers still adequately reflect the trend in salary data.

SSS-a/DEBI

TABLE 2
COMPETITIVENESS OF STATE AVERAGE OR MIDPOINT SALARIES
BY GENERAL OCCUPATIONAL GROUP

General Occupational Group*	Employer Sample	Percent State Is Above (Below) Survey
Professional	Neighboring States	(12.9)
	Montana	(1.3)
Technical	Neighboring States	(9.3)
	Montana	1.4
Clerical	Neighboring States	(1.3)
	Montana	(1.3)
Crafts	Neighboring States	(2.1)
	Montana	0.8
Miscellaneous	Neighboring States	11.2
	Montana	1.8

*The survey results were divided into five general occupational groups shown in Table 2. Each general occupational group contains occupational sub-groups which contain specific job titles. The general occupational groups shown contain the following sub-groups:

Professional
Engineering & Architecture
Computer Science
Nursing
Other Health
Education
Accounting
General Business & Economics
Top Officials
Forestry/Agricultural Sciences
Biological Sciences
Other Physical & Life Sciences
Behavioral Sciences
Medicine
Dentistry
Veterinary Medicine
Pharmacy
Law
Art, Photo, Journ., Radio/TV
Protective Sciences
Planning
Aviation
Library & Archival Sciences
Hospital Administration

Technical
Engineering & Architecture
Computer Science
Health
Forestry/Agricultural Sciences
Other Physical & Life Sciences
Behavioral Sciences
Art, Photo, Journal., Radio/TV
General Business
Protective Services
Electronics
Library & Archival Sciences

Clerical
General
Accounting
Shipping & Receiving
Computer Science

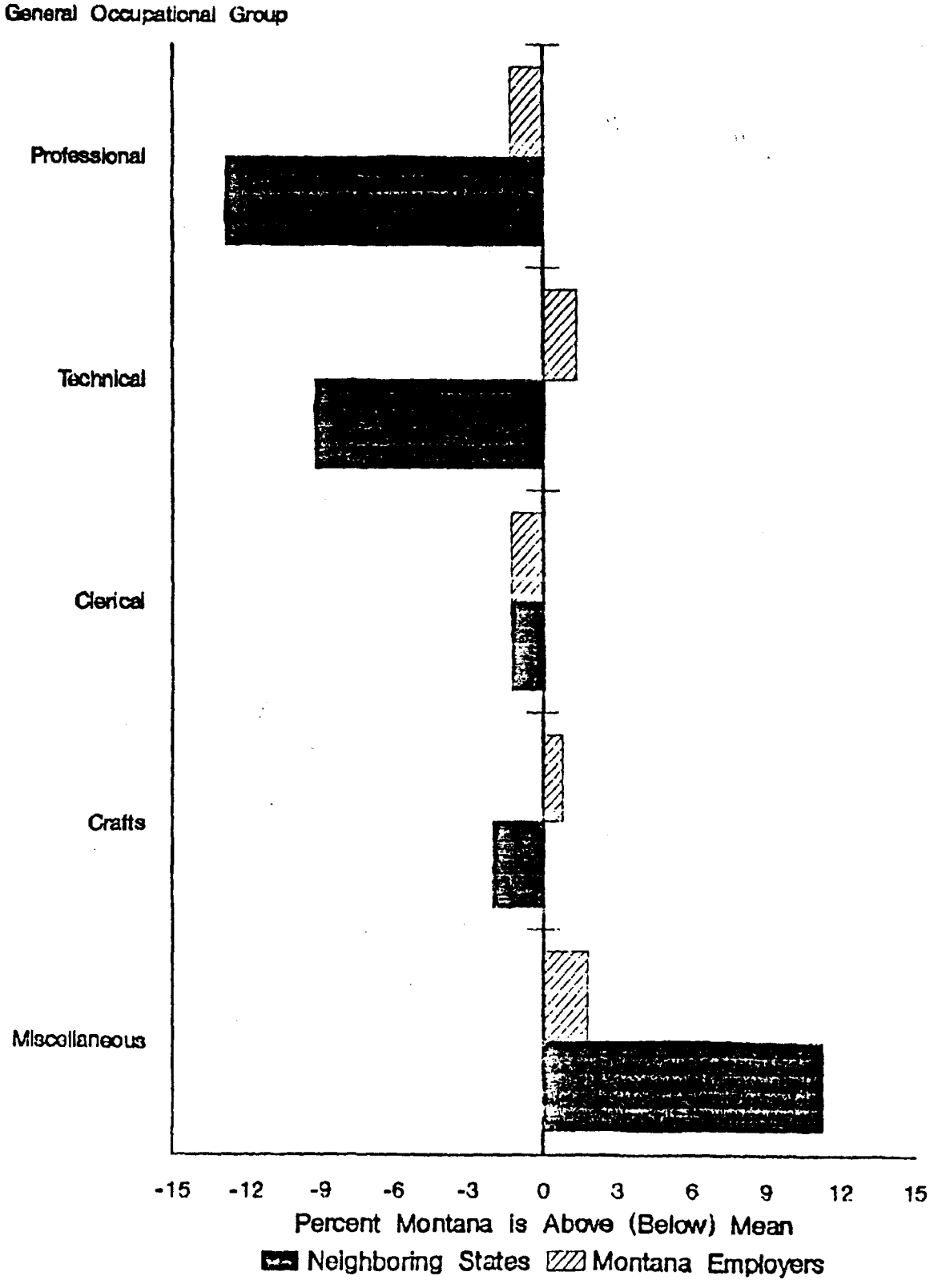
Crafts
Structural
Machine Operator & Mechanics
Personal Services

Miscellaneous
Personal & Domestic
Custodian
Unskilled - Semi-skilled
Retail Sales
Miscellaneous Services

Ex. 2
Date. 2-2-87
H.B. 23

SSS-b/DEBI

COMPETETIVENESS OF MONTANA AVERAGE SALARIES
By General Occupational Group



MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 11, 1987

The 30th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. Senator Regan, Chairman, called the meeting to order following roll call to continue hearing and executive action on House Bill 2.

ROLL CALL: All members present.

CONSIDERATION OF HOUSE BILL 2:

EXECUTIVE ACTION ON SECTION D CONTINUED: Senator Regan said we were concluding section D and Senator Keating had a question on this section.

Senator Keating said, I guess my question was answered all right, but for general information of the committee, I was curious as to why there were 51 inmates at Swan River and 26 FTE's. I thought a 2 to 1 ratio on the staff and inmates seemed to be pretty high, but in checking I find that even at the prison there is 900 prisoners and 450 staff. You are looking at a ratio of one employee to 2 inmates in the various incarceration institutions which seems like a big load. Senator Regan said, it is 3 shifts in 24 hours.

Senator Keating said, there were going to be 20 more beds in the prerelease center and we are still looking at a net 83 bed increase in the prison. Is there some justification for that estimation? That is an amazing statistic if that's the case. Senator Bengtson said, the population is growing all the time and it is projected by the year 1990 some there will be close to 2,000 prisoners. Part of this is the number and type of sentences being imposed.

Senator Story said, there ought to be an offsetting factor. Everything else was based on the baby boom, etc. It seems to me that it should be going down. Senator Regan said, we have increased sentences and we have increased length of stay in mandatory legislation.

Senator Manning said, part of the problem is the increase in drug traffic and alcohol. You also have economic conditions in this state right now where there are a lot of people out of work and some instead of seeking work are seeking means of monetary value in another way.

Question was called, voted, roll call vote. 12 no votes, 3 yes. The motion failed.

No further amendments were made for this section and Senator Jacobson moved we close section F. Voted, passed.

DISPOSITION OF HOUSE BILL 2: Motion by Senator Keating to concur in House Bill 2, as amended. Voted, passed.

Senator Regan said this bill must be read over the rostrum today, and had scheduled for Monday at 8 a.m., hearings on several important bills. Perhaps we can take executive action on the employees pay plan now so this major piece can go out.

DISPOSITION OF HOUSE BILL 233: Motion by Senator Story that House Bill 233 be concurred in. Voted, passed, with Senators Jacobson, Haffey and Manning voting no.

Senator Regan announced the Senate Finance and Claims Committee would meet at 7 a.m. Monday morning.

The meeting adjourned.

Senator Regan, Chairman

STANDING COMMITTEE REPORT

April 11 19 87

MR. PRESIDENT

We, your committee on FINANCE AND CLAIMS

having had under consideration HOUSE BILL No. 233

third reading copy (blue color)

Bardanouve (REGAN)

ESTABLISH STATE COMPENSATION PLANS/BENEFIT LEVELS AND 1988-89 PAY SCHEDULES

Respectfully report as follows: That HOUSE BILL No. 233

BE CONCURRED IN

~~XXXXXX~~ DO PASS

~~XEGNDXIAS~~S

Senator Pat Regan Chairman.

HOUSE BILL NO. 233

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-104, 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

SECTION 1. SECTION 2-18-104, MCA, IS AMENDED TO READ:

"2-18-104. Exemption for personal staff -- limit. (1) Subject to the limitations in subsections (2) and (3), members of a personal staff are exempt from the application of 2-18-204, 2-18-205, 2-18-207, and 2-18-1011 through 2-18-1013.

(2) The personal staff who are exempted by subsection (1) may not exceed 10 unless otherwise approved by the department according to criteria developed by the department. Under no circumstances may the total exemptions of each elected official exceed 15.

(3) The number of members of the personal staff of the public service commission who are exempted by subsection (1) may not exceed 10.

(4) A person occupying an exempt position under 2-18-103 or this section may not receive an increase in compensation in fiscal year 1988 or 1989."

Section 2. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform the services the state is required to provide to its citizens.

Montana Legislative Council

REFERENCE BILL

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1987~~ 1989, the:

(a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~49th~~ 50th legislature;

(b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~49th~~ 50th legislature; and

(c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~49th~~ 50th legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

(4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

Section 3. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for utilizing pay ~~schedules~~ schedule. (1) The pay ~~schedules~~ schedule provided in ~~2-18-311 and~~ 2-18-312 shall be implemented as follows:

(a) The pay schedule provided in ~~2-18-311~~ 2-18-312 indicates the annual compensation for the fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, for each grade and step for positions classified under the provisions of part 2 of this chapter.

~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal year ending June 30, 1987, for each grade and step for positions classified under the provisions of part 2 of this chapter.~~

~~(c)~~(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of probationary service. The anniversary date of an employee shall be established at the end of the probationary period in accordance with rules promulgated by the

department.

~~(d)~~(c) (i) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 shall be that amount which corresponds to the grade and step occupied on the last day of the preceding fiscal year of ~~1985~~ 1987.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1987~~ 1989 shall be that amount which corresponds to the grade and step occupied on the last day of the fiscal year ~~1985~~ 1988.

~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

(2) The pay ~~schedules~~ schedule provided in ~~2-18-311 and~~ 2-18-312 and the provisions of subsection (1) of this section do not apply to those institutional teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313, 2-18-314, or 2-18-315.

(3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as follows:

(a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the contracted school term for teachers employed by institutions under the authority of the department of institutions for fiscal years ~~1986~~ 1988 and ~~1987~~ 1989.

(ii) The compensation of each teacher on the first day of the first pay period in July, ~~1985~~ 1987, shall be that amount which corresponds to his level of academic achievement and the step occupied on June 30, ~~1985~~ 1987.

(iii) The compensation of each teacher on the first day of the first pay period in July, ~~1986~~ 1988, shall be that amount which corresponds to his level of achievement and the step occupied on

June 30, ~~1985~~ 1987.

(b) (i) The pay ~~schedules~~ schedule provided in 2-18-314 ~~indicate~~ indicates the maximum hourly compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for those employees in liquor store occupations who have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay ~~schedules~~ schedule provided in 2-18-315 ~~indicate~~ indicates the maximum hourly compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade occupied on the last day of the preceding fiscal year.

(4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective pay schedules provided in ~~2-18-311~~ 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, ~~1987~~ 1989.

(ii) In the event that negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July 1, ~~1985~~ 1987, retroactivity to that date may be negotiated.

(iii) In the event that negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July 1, ~~1985~~ 1987, members of the bargaining unit involved will continue to receive the compensation they

were receiving as of June 30, ~~1985~~ 1987.

(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in ~~2-18-313~~ 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.

(5) The current wage or salary of an employee shall not be reduced by the implementation of the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315.

(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in ~~2-18-311--and~~ 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7) The department may develop programs which will enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances. Insofar as the program may apply to employees within a collective bargaining unit, it shall be a negotiable subject under 39-31-305."

Section 4. Section 2-18-304, MCA, is amended to read:

"2-18-304. Longevity allowance. (1) In addition to the compensation provided for in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, each employee who has completed 5 years of uninterrupted state service shall receive the larger of $10 a month or 10% of the difference between the base compensation for his grade and step (where applicable) and the base compensation for the next highest grade and corresponding step (where applicable) multiplied by the number of completed, contiguous 5-year periods of uninterrupted state service. Service to the state is not interrupted by authorized leaves of absence.

(2) (a) For the purpose of determining years of service under this section, an employee must be credited with 1 year of service for each period of:

(i) 2,080 hours of service following his date of employment; an employee must be credited with 80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized

leave of absence without pay, regardless of the number of hours of service in the pay period; or

(ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in any one month. An employee of a school at a state institution or the university system must be credited with 1 year of service if he is employed for an entire academic year.

(b) State agencies, other than the university system and a school at a state institution, shall use the method provided in subsection (2)(a)(i) to calculate years of service under this section."

Section 5. Section 2-18-305, MCA, is amended to read:

"2-18-305. Allocation between wages and roup benefits. (1) The dollar amounts shown in the respective pay schedules provided in ~~2-18-311,~~ 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the case may be, represent the maximum amount allocated by the state for wages and group benefits, exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section, that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee who elects not to be covered by a state employee group benefit plan will receive as wages the amount shown in the appropriate pay schedule less the state contribution for group benefits as determined by 2-18-703.

(2) Employees may, through collective bargaining, determine the allocation of the amounts shown in the pay schedules provided in ~~2-18-311,~~ 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the case may be, between wages and group benefits, except that in no case may the group benefits allocation be less than the amounts provided in 2-18-703."

Section 6. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedule for fiscal ~~year-1987~~ years 1988 and 1989. The statewide classification pay schedule for fiscal ~~year-1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080 Note: Includes Insurance

Pay Matrix -- State Matrix Type -- Annual

GRADE	STEP 1	2	3	4	5	6	7	8	9	10	11	12	13
1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933
9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617
22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	50,878	50,878	50,878	50,878

23 44,906 48,286 49,252 50,237 51,242 52,267 53,312 54,378 54,378 54,378 54,378 54,378 54,378
24 48,988 52,675 53,729 54,804 55,900 57,018 58,158 58,158 58,158 58,158 58,158 58,158 58,158
25 53,471 57,496 58,646 59,819 61,015 62,235 62,235 62,235 62,235 62,235 62,235 62,235 62,235"

Section 7. Section 2-18-313, MCA, is amended to read:

"2-18-313. Institutional teachers' pay schedules. ~~(1)-(a)--The--12-month--pay--schedule--for institutional-teachers-for-fiscal-year-1986-is-as-follows:~~

~~Annual-Hours----2080~~ ~~Note:-Includes-Insurance~~
~~Pay-Matrix----Teachers~~ ~~Matrix-Type----Annual~~
~~Term----Twelve-Months~~ --

~~Education-Level~~

~~YEARS-OF EXPERIENCE (Step)~~	~~BA (Grade-1)~~	~~BA+1 (Grade-2)~~	~~BA+2 (Grade-3)~~	~~BA+3 (Grade-4)~~	~~MA (Grade-5)~~	~~MA+1 (Grade-6)~~
~~0~~	~~18,486~~	~~19,067~~	~~19,663~~	~~19,954~~	~~20,244~~	~~20,840~~
~~1~~	~~19,178~~	~~19,817~~	~~20,466~~	~~20,789~~	~~21,114~~	~~21,761~~
~~2~~	~~19,851~~	~~20,567~~	~~21,266~~	~~21,626~~	~~21,983~~	~~22,683~~
~~3~~	~~20,534~~	~~21,319~~	~~22,068~~	~~22,461~~	~~22,854~~	~~23,604~~
~~4~~	~~21,216~~	~~22,068~~	~~22,870~~	~~23,295~~	~~23,724~~	~~24,526~~
~~5~~	~~21,899~~	~~22,820~~	~~23,673~~	~~24,133~~	~~24,594~~	~~25,448~~
~~6~~	~~22,579~~	~~23,569~~	~~24,473~~	~~24,969~~	~~25,463~~	~~26,367~~
~~7~~	~~23,263~~	~~24,321~~	~~25,276~~	~~25,806~~	~~26,334~~	~~27,289~~
~~8~~	~~23,944~~	~~25,070~~	~~26,078~~	~~26,640~~	~~27,205~~	~~28,210~~
~~9~~	~~24,627~~	~~25,822~~	~~26,880~~	~~27,475~~	~~28,073~~	~~29,131~~
~~10~~	~~25,311~~	~~26,572~~	~~27,681~~	~~28,313~~	~~28,944~~	~~30,052~~

~~(b)--The-9-month-pay-schedule-for-institutional-teachers-for-fiscal-year-1986-is-as-follows:~~

~~Annual Hours----1480~~ ~~Note: Includes Insurance~~

~~Pay Matrix----Teachers~~ ~~Matrix Type----Annual~~

~~Term----Nine Months~~ --

~~Education Level~~

~~YEARS OF EXPERIENCE (Step)~~	~~BA (Grade 1)~~	~~BA+1 (Grade 2)~~	~~BA+2 (Grade 3)~~	~~BA+3 (Grade 4)~~	~~MA (Grade 5)~~	~~MA+1 (Grade 6)~~
~~0~~	~~14,195~~	~~14,638~~	~~15,077~~	~~15,296~~	~~15,513~~	~~15,960~~
~~1~~	~~14,708~~	~~15,193~~	~~15,688~~	~~15,922~~	~~16,166~~	~~16,651~~
~~2~~	~~15,218~~	~~15,755~~	~~16,288~~	~~16,550~~	~~16,817~~	~~17,342~~
~~3~~	~~15,731~~	~~16,319~~	~~16,881~~	~~17,176~~	~~17,471~~	~~18,033~~
~~4~~	~~16,242~~	~~16,881~~	~~17,483~~	~~17,801~~	~~18,123~~	~~18,725~~
~~5~~	~~16,754~~	~~17,445~~	~~18,085~~	~~18,430~~	~~18,776~~	~~19,416~~
~~6~~	~~17,264~~	~~18,007~~	~~18,685~~	~~19,057~~	~~19,427~~	~~20,105~~
~~7~~	~~17,777~~	~~18,571~~	~~19,287~~	~~19,685~~	~~20,081~~	~~20,797~~
~~8~~	~~18,288~~	~~19,133~~	~~19,889~~	~~20,310~~	~~20,734~~	~~21,488~~
~~9~~	~~18,800~~	~~19,697~~	~~20,490~~	~~20,936~~	~~21,385~~	~~22,178~~
~~10~~	~~19,313~~	~~20,259~~	~~21,091~~	~~21,565~~	~~22,038~~	~~22,869~~

~~(2)--(a)~~(1) The 12-month pay schedule for institutional teachers for fiscal ~~year 1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080 Note: Includes Insurance

Pay Matrix -- Teachers Matrix Type -- Annual

Term -- Twelve Months

Education Level

YEARS OF

EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
0	18,976	19,568	20,176	20,473	20,769	21,377
1	19,673	20,333	20,995	21,325	21,656	22,316
2	20,368	21,098	21,811	22,179	22,543	23,257
3	21,065	21,865	22,629	23,030	23,431	24,196
4	21,760	22,629	23,447	23,881	24,318	25,137
5	22,457	23,396	24,266	24,736	25,206	26,077
6	23,151	24,160	25,082	25,588	26,092	27,014
7	23,848	24,927	25,902	26,442	26,981	27,955
8	24,543	25,691	26,720	27,293	27,869	28,894
9	25,240	26,458	27,538	28,145	28,754	29,834
10	25,937	27,223	28,355	28,999	29,643	30,773

~~(b)~~(2) The 9-month pay schedule for institutional teachers for fiscal ~~year 1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 1480 Note: Includes Insurance

Pay Matrix -- Teachers Matrix Type -- Annual

Term -- Nine Months

Education Level

YEARS OF EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
0	14,592	15,036	15,492	15,715	15,937	16,393
1	15,115	15,610	16,106	16,354	16,602	17,097
2	15,636	16,184	16,718	16,994	17,267	17,803

3	16,159	16,759	17,332	17,633	17,933	18,507
4	16,680	17,332	17,945	18,271	18,599	19,213
5	17,203	17,907	18,560	18,912	19,265	19,918
6	17,723	18,480	19,172	19,551	19,929	20,621
7	18,246	19,055	19,787	20,192	20,596	21,326
8	18,767	19,628	20,400	20,830	21,262	22,031
9	19,290	20,204	21,014	21,469	21,926	22,736
10	19,813	20,777	21,626	22,109	22,592	23,440"

Section 8. Section 2-18-314, MCA, is amended to read:

"2-18-314. Liquor store occupations pay ~~schedules~~ schedule. ~~(1)~~ The pay schedule for liquor store occupations for fiscal ~~year 1986~~ years 1988 and 1989 is as follows:

~~Annual Hours----2080~~ ~~Note: With Insurance~~

~~Pay Matrix----Retail Clerk~~ ~~Matrix Type----Hourly~~

~~Grade~~	~~$/Hour~~
	~~W/Ins.~~
~~E1~~	~~0.000~~
~~E2~~	~~7.404~~
~~E3~~	~~7.904~~
~~E4~~	~~8.188~~
~~E5~~	~~8.474~~
~~E6~~	~~9.084~~
~~E7~~	~~9.748~~
~~E8~~	~~10.492~~

~~(2) The pay schedule for liquor store occupations for fiscal year 1987 is as follows:~~

Annual Hours -- 2080 Note: With Insurance

Pay Matrix -- Retail Clerk	Matrix Type -- Hourly
Grade	$/Hour
	W/Ins.
L1	0.000
L2	7.683
L3	8.183
L4	8.463
L5	8.753
L6	9.363
L7	10.023
L8	10.773"

Section 9. Section 2-18-315, MCA, is amended to read:

"2-18-315. Blue-collar pay ~~schedules~~ schedule. ~~(1)~~ The pay schedule for blue-collar workers for fiscal ~~year 1986~~ years 1988 and 1989 is as follows:

~~Annual Hours----2080~~	~~Note: With Insurance~~
~~Pay Matrix----Blue Collar~~	~~Matrix Type----Hourly~~
Grade	~~$/Hour~~
~~-~~	~~W/Ins.~~
~~B1~~	~~7.836~~
~~B2~~	~~8.236~~
~~B3~~	~~8.636~~
~~B4~~	~~9.036~~
~~B5~~	~~9.436~~
~~B6~~	~~9.836~~
~~B7~~	~~10.236~~

~~B8-~~	~~10.636~~
~~B9-~~	~~11.036~~
~~B10~~	~~11.436~~
~~B11~~	~~11.836~~
~~B12~~	~~12.236~~
~~B00~~	~~12.636~~

~~(2)--The-pay-schedule-for-blue-collar-workers-for-fiscal-year-1987-is-as-follows:~~

Annual Hours -- 2080	Note: With Insurance
Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
Grade	$/Hour
	W/Ins.
B1	8.153
B2	8.553
B3	8.953
B4	9.353
B5	9.753
B6	10.153
B7	10.553
B8	10.953
B9	11.353
B10	11.753
B11	12.153
B12	12.553
B00	12.953"

Section 10. Section 2-18-703, MCA, is amended to read:

"2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this section towards the group benefits cost.

(2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the legislature, the employer contribution for group benefits shall be ~~$105~~ $115 per month for the fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, and $115 per month for each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than $10 per month.

(4) Unused employer contributions for any state employee shall be transferred to an account established for this purpose by the department and upon such transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member."

NEW SECTION. Section 11. Repealer. Section 2-18-311, MCA, is repealed.

NEW SECTION. Section 12. Effective date. This act is effective on passage and approval.

-End-

HB233.FCC

CONFERENCE COMMITTEE REPORT

Report No. 1

April 21, 1987

MR. SPEAKER

We, your FREE Conference Committee on House Bill 233 met and considered House Bill 233 in its entirety.

We recommend as follows:

THAT HOUSE BILL 233, reference copy salmon, BE AMENDED AS FOLLOWS:

1. Page 1, line 21.
Following: "compensation"
Insert: "unless the person changes positions or successfully completes a probationary period"

And that this Conference Committee report be adopted.

FOR THE SENATE

Walker, Chairman

Regan

Rasmussen

FOR THE HOUSE

Phillips

Bardanouve

Compton

90

HOUSE BILL NO. 233

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING STATE EMPLOYEE COMPENSATION PLANS AND BENEFIT LEVELS; PROVIDING PAY SCHEDULES FOR FISCAL YEARS 1988 AND 1989; AMENDING SECTIONS 2-18-104, 2-18-301, 2-18-303 THROUGH 2-18-305, 2-18-312 THROUGH 2-18-315, AND 2-18-703, MCA; REPEALING SECTION 2-18-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

SECTION 1. SECTION 2-18-104, MCA, IS AMENDED TO READ:

"2-18-104. Exemption for personal staff -- limit. (1) Subject to the limitations in subsections (2) and (3), members of a personal staff are exempt from the application of 2-18-204, 2-18-205, 2-18-207, and 2-18-1011 through 2-18-1013.

(2) The personal staff who are exempted by subsection (1) may not exceed 10 unless otherwise approved by the department according to criteria developed by the department. Under no circumstances may the total exemptions of each elected official exceed 15.

(3) The number of members of the personal staff of the public service commission who are exempted by subsection (1) may not exceed 10.

(4) A person occupying an exempt position under 2-18-103 or this section may not receive an increase in compensation UNLESS THE PERSON CHANGES POSITIONS OR SUCCESSFULLY COMPLETES A PROBATIONARY PERIOD in fiscal year 1988 or 1989."

Section 2. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the compensation necessary to attract and retain competent and qualified employees in order to perform

Montana Legislative Council

Includes free conference committee report dated 4-21-87

the services the state is required to provide to its citizens.

(2) It is the intent of the legislature that, for the biennium ending June 30, ~~1987~~ 1989, the:

(a) pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~49th~~ 50th legislature;

(b) pay levels provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 may not be increased through collective bargaining after adjournment of the ~~49th~~ 50th legislature; and

(c) total funds required to implement the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~49th~~ 50th legislature.

(3) The department shall administer the pay program established by the legislature on the basis of merit, internal equity, and competitiveness to external labor markets when fiscally able.

(4) The department may promulgate rules not inconsistent with the provisions of this part, collective bargaining statutes, or negotiated contracts to carry out the purposes of this part."

Section 3. Section 2-18-303, MCA, is amended to read:

"2-18-303. Procedures for utilizing pay ~~schedules~~ schedule. (1) The pay ~~schedules~~ schedule provided in ~~2-18-311 and~~ 2-18-312 shall be implemented as follows:

(a) The pay schedule provided in ~~2-18-311~~ 2-18-312 indicates the annual compensation for the fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, for each grade and step for positions classified under the provisions of part 2 of this chapter.

~~(b) The pay schedule provided in 2-18-312 indicates the annual compensation for the fiscal year ending June 30, 1987, for each grade and step for positions classified under the provisions of part 2 of this chapter.~~

~~(c)~~(b) Each new employee shall advance from step 1 to step 2 of a grade after successfully completing 6 months of probationary service. The anniversary date of an employee shall be

established at the end of the probationary period in accordance with rules promulgated by the department.

~~(d)~~(c) (i) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 shall be that amount which corresponds to the grade and step occupied on the last day of the preceding fiscal year of ~~1985~~ 1987.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1987~~ 1989 shall be that amount which corresponds to the grade and step occupied on the last day of the fiscal year ~~1985~~ 1988.

~~(iii) In compliance with rules adopted to implement this part, each employee is eligible on his anniversary date to advance one step in the pay matrix for fiscal year 1987. However, if the employee's anniversary date falls between (inclusive) July 1 and the first day of the first pay period of fiscal year 1987, he will advance one step on the first day of that pay period.~~

(2) The pay ~~schedules~~ schedule provided in ~~2-18-311 and~~ 2-18-312 and the provisions of subsection (1) of this section do not apply to those institutional teachers, liquor store occupations, or blue-collar occupations compensated under the pay schedules provided in 2-18-313, 2-18-314, or 2-18-315.

(3) The pay schedules provided in 2-18-313, 2-18-314, or 2-18-315 shall be implemented as follows:

(a) (i) The pay schedules provided in 2-18-313 indicate the annual compensation for the contracted school term for teachers employed by institutions under the authority of the department of institutions for fiscal years ~~1986~~ 1988 and ~~1987~~ 1989.

(ii) The compensation of each teacher on the first day of the first pay period in July, ~~1985~~ 1987, shall be that amount which corresponds to his level of academic achievement and the step occupied on June 30, ~~1985~~ 1987.

(iii) The compensation of each teacher on the first day of the first pay period in July, ~~1986~~

1988, shall be that amount which corresponds to his level of achievement and the step occupied on June 30, ~~1985~~ 1987.

(b) (i) The pay ~~schedules~~ schedule provided in 2-18-314 ~~indicate~~ indicates the maximum hourly compensation for fiscal years ending June 30, ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for those employees in liquor store occupations who have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade occupied on the last day of the preceding fiscal year.

(c) (i) The pay ~~schedules~~ schedule provided in 2-18-315 ~~indicate~~ indicates the maximum hourly compensation for fiscal years ending June 30 ~~1986~~ 1988, and June 30, ~~1987~~ 1989, for employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have collectively bargained separate classification and pay plans.

(ii) The compensation of each employee on the first day of the first pay period in fiscal year ~~1986~~ 1988 or ~~1987~~ 1989, as the case may be, shall be that amount which corresponds to that grade occupied on the last day of the preceding fiscal year.

(4) (a) (i) No member of a bargaining unit may receive the amounts indicated in the respective pay schedules provided in ~~2-18-311~~ 2-18-312 through 2-18-315 until the bargaining unit of which he is a member ratifies a completely integrated collective bargaining agreement covering the biennium ending June 30, ~~1987~~ 1989.

(ii) In the event that negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July 1, ~~1985~~ 1987, retroactivity to that date may be negotiated.

(iii) In the event that negotiation and ratification of a completely integrated collective bargaining agreement as required by subsection (4)(a)(i) of this section are not completed by July

1, ~~1985~~ 1987, members of the bargaining unit involved will continue to receive the compensation they were receiving as of June 30, ~~1985~~ 1987.

(b) Methods of administration not inconsistent with the purpose of this part and necessary to properly implement the pay schedules provided in ~~2-18-313~~ 2-18-312 through 2-18-315 may be provided for in collective bargaining agreements.

(5) The current wage or salary of an employee shall not be reduced by the implementation of the pay schedules provided for in ~~2-18-311~~ 2-18-312 through 2-18-315.

(6) The department may authorize a separate pay schedule for medical doctors if the rates provided in ~~2-18-311 and~~ 2-18-312 are not sufficient to attract and retain fully licensed and qualified physicians at the state institutions.

(7) The department may develop programs which will enable the department to mitigate problems associated with difficult recruitment, retention, transfer, or other exceptional circumstances. Insofar as the program may apply to employees within a collective bargaining unit, it shall be a negotiable subject under 39-31-305."

Section 4. Section 2-18-304, MCA, is amended to read:

"2-18-304. Longevity allowance. (1) In addition to the compensation provided for in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, each employee who has completed 5 years of uninterrupted state service shall receive the larger of $10 a month or 10% of the difference between the base compensation for his grade and step (where applicable) and the base compensation for the next highest grade and corresponding step (where applicable) multiplied by the number of completed, contiguous 5-year periods of uninterrupted state service. Service to the state is not interrupted by authorized leaves of absence.

(2) (a) For the purpose of determining years of service under this section, an employee must be credited with 1 year of service for each period of:

(i) 2,080 hours of service following his date of employment; an employee must be credited with

80 hours of service for each biweekly pay period in which he is in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in the pay period; or

(ii) 12 uninterrupted calendar months following his date of employment in which he was in a pay status or on an authorized leave of absence without pay, regardless of the number of hours of service in any one month. An employee of a school at a state institution or the university system must be credited with 1 year of service if he is employed for an entire academic year.

(b) State agencies, other than the university system and a school at a state institution, shall use the method provided in subsection (2)(a)(i) to calculate years of service under this section."

Section 5. Section 2-18-305, MCA, is amend d to read:

"2-18-305. Allocation between wages and group benefits. (1) The dollar amounts shown in the respective pay schedules provided in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the case may be, represent the maximum amount allocated by the state for wages and group benefits, exclusive of longevity as defined in 2-18-304. Except as provided in subsection (2) of this section, that amount specifically allocated for group benefits shall be determined by 2-18-703. An employee who elects not to be covered by a state employee group benefit plan will receive as wages the amount shown in the appropriate pay schedule less the state contribution for group benefits as determined by 2-18-703.

(2) Employees may, through collective bargaining, determine the allocation of the amounts shown in the pay schedules provided in ~~2-18-311~~, 2-18-312, 2-18-313, 2-18-314, or 2-18-315, as the case may be, between wages and group benefits, except that in no case may the group benefits allocation be less than the amounts provided in 2-18-703."

Section 6. Section 2-18-312, MCA, is amended to read:

"2-18-312. Statewide pay schedule for fiscal ~~year-1987~~ years 1988 and 1989. The statewide classification pay schedule for fiscal ~~year-1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080 Note: Includes Insurance

Pay Matrix -- State Matrix Type -- Annual

	STEP												
GRADE	1	2	3	4	5	6	7	8	9	10	11	12	13
1	9,392	10,099	10,301	10,507	10,717	10,931	11,150	11,373	11,600	11,832	12,069	12,310	12,802
2	9,874	10,617	10,829	11,046	11,267	11,492	11,722	11,956	12,195	12,439	12,688	12,942	13,460
3	10,398	11,181	11,405	11,633	11,866	12,103	12,345	12,592	12,844	13,101	13,363	13,630	14,175
4	10,971	11,797	12,033	12,274	12,519	12,769	13,024	13,284	13,550	13,821	14,097	14,379	14,954
5	11,603	12,476	12,726	12,981	13,241	13,506	13,776	14,052	14,333	14,620	14,912	15,210	15,818
6	12,295	13,220	13,484	13,754	14,029	14,310	14,596	14,888	15,186	15,490	15,800	16,116	16,761
7	13,062	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,133	16,456	16,785	17,121	17,806
8	13,889	14,934	15,233	15,538	15,849	16,166	16,489	16,819	17,155	17,498	17,848	18,205	18,933
9	14,807	15,922	16,240	16,565	16,896	17,234	17,579	17,931	18,290	18,656	19,029	19,410	20,186
10	15,813	17,003	17,343	17,690	18,044	18,405	18,773	19,148	19,531	19,922	20,320	20,726	21,555
11	16,912	18,185	18,549	18,920	19,298	19,684	20,078	20,480	20,890	21,308	21,734	22,169	23,056
12	18,128	19,493	19,883	20,281	20,687	21,101	21,523	21,953	22,392	22,840	23,297	23,763	24,714
13	19,464	20,929	21,348	21,775	22,211	22,655	23,108	23,570	24,041	24,522	25,012	25,512	26,532
14	21,140	22,731	23,186	23,650	24,123	24,605	25,097	25,599	26,111	26,633	27,166	27,709	28,817
15	22,885	24,608	25,100	25,602	26,114	26,636	27,169	27,712	28,266	28,831	29,408	29,996	31,196
16	24,846	26,716	27,250	27,795	28,351	28,918	29,496	30,086	30,688	31,302	31,928	32,567	33,870
17	26,967	28,997	29,577	30,169	30,772	31,387	32,015	32,655	33,308	33,974	34,653	35,346	36,760
18	29,312	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	38,420	39,957
19	31,888	34,288	34,974	35,673	36,386	37,114	37,856	38,613	39,385	40,173	40,976	41,796	41,796
20	34,701	37,313	38,059	38,820	39,596	40,388	41,196	42,020	42,860	43,717	44,591	44,591	44,591
21	37,795	40,640	41,453	42,282	43,128	43,991	44,871	45,768	46,683	47,617	47,617	47,617	47,617

22	41,191	44,291	45,177	46,081	47,003	47,943	48,902	49,880	50,878	50,878	50,878	50,878
23	44,906	48,286	49,252	50,237	51,242	52,267	53,312	54,378	54,378	54,378	54,378	54,378
24	48,988	52,675	53,729	54,804	55,900	57,018	58,158	58,158	58,158	58,158	58,158	58,158
25	53,471	57,496	58,646	59,819	61,015	62,235	62,235	62,235	62,235	62,235	62,235	62,235"

Section 7. Section 2-18-313, MCA, is amended to read:

"2-18-313. Institutional teachers' pay schedules. ~~(1)-(a)--The--12-month--pay-schedule-for institutional-teachers-for-fiscal-year-1986-is-as-follows:~~

~~Annual-Hours----2080~~ ~~Note:-Includes-Insurance~~

~~Pay-Matrix----Teachers~~ ~~Matrix-Type----Annual~~

~~Term----Twelve-Months~~ --

~~Education-Level~~

~~YEARS-OF EXPERIENCE (Step)~~	~~BA (Grade-1)~~	~~BA+1 (Grade-2)~~	~~BA+2 (Grade-3)~~	~~BA+3 (Grade-4)~~	~~MA (Grade-5)~~	~~MA+1 (Grade-6)~~
~~0~~	~~18,486~~	~~19,067~~	~~19,663~~	~~19,954~~	~~20,244~~	~~20,840~~
~~1~~	~~19,178~~	~~19,817~~	~~20,466~~	~~20,789~~	~~21,114~~	~~21,761~~
~~2~~	~~19,851~~	~~20,567~~	~~21,266~~	~~21,626~~	~~21,983~~	~~22,683~~
~~3~~	~~20,534~~	~~21,319~~	~~22,068~~	~~22,461~~	~~22,854~~	~~23,604~~
~~4~~	~~21,216~~	~~22,068~~	~~22,870~~	~~23,295~~	~~23,724~~	~~24,526~~
~~5~~	~~21,899~~	~~22,820~~	~~23,673~~	~~24,133~~	~~24,594~~	~~25,448~~
~~6~~	~~22,579~~	~~23,569~~	~~24,473~~	~~24,969~~	~~25,463~~	~~26,367~~
~~7~~	~~23,263~~	~~24,321~~	~~25,276~~	~~25,806~~	~~26,334~~	~~27,289~~
~~8~~	~~23,944~~	~~25,070~~	~~26,078~~	~~26,640~~	~~27,205~~	~~28,210~~
~~9~~	~~24,627~~	~~25,822~~	~~26,880~~	~~27,475~~	~~28,073~~	~~29,131~~
~~10~~	~~25,311~~	~~26,572~~	~~27,681~~	~~28,313~~	~~28,944~~	~~30,052~~

~~(b)--The 9-month pay schedule for institutional teachers for fiscal year 1986 is as follows:~~

~~Annual Hours----1480~~ ~~Note: Includes Insurance~~

~~Pay Matrix----Teachers~~ ~~Matrix Type----Annual~~

~~Term----Nine Months~~ --

~~Education Level~~

~~YEARS OF EXPERIENCE (Step)~~	~~BA (Grade 1)~~	~~BA+1 (Grade 2)~~	~~BA+2 (Grade 3)~~	~~BA+3 (Grade 4)~~	~~MA (Grade 5)~~	~~MA+1 (Grade 6)~~
~~0~~	~~14,195~~	~~14,638~~	~~15,077~~	~~15,296~~	~~15,513~~	~~15,960~~
~~1~~	~~14,708~~	~~15,193~~	~~15,680~~	~~15,922~~	~~16,166~~	~~16,651~~
~~2~~	~~15,218~~	~~15,755~~	~~16,288~~	~~16,550~~	~~16,817~~	~~17,342~~
~~3~~	~~15,731~~	~~16,319~~	~~16,881~~	~~17,176~~	~~17,471~~	~~18,033~~
~~4~~	~~16,242~~	~~16,881~~	~~17,483~~	~~17,801~~	~~18,123~~	~~18,725~~
~~5~~	~~16,754~~	~~17,445~~	~~18,085~~	~~18,430~~	~~18,776~~	~~19,416~~
~~6~~	~~17,264~~	~~18,007~~	~~18,685~~	~~19,057~~	~~19,427~~	~~20,105~~
~~7~~	~~17,777~~	~~18,571~~	~~19,287~~	~~19,685~~	~~20,081~~	~~20,797~~
~~8~~	~~18,288~~	~~19,133~~	~~19,889~~	~~20,310~~	~~20,734~~	~~21,488~~
~~9~~	~~18,800~~	~~19,697~~	~~20,490~~	~~20,936~~	~~21,385~~	~~22,178~~
~~10~~	~~19,313~~	~~20,259~~	~~21,091~~	~~21,565~~	~~22,038~~	~~22,869~~

~~(2)--(a)~~(1) The 12-month pay schedule for institutional teachers for fiscal year--~~1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 2080 Note: Includes Insurance

Pay Matrix -- Teachers Matrix Type -- Annual

Term -- Twelve Months

Education Level

YEARS OF EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
0	18,976	19,568	20,176	20,473	20,769	21,377
1	19,673	20,333	20,995	21,325	21,656	22,316
2	20,368	21,098	21,811	22,179	22,543	23,257
3	21,065	21,865	22,629	23,030	23,431	24,196
4	21,760	22,629	23,447	23,881	24,318	25,137
5	22,457	23,396	24,266	24,736	25,206	26,077
6	23,151	24,160	5,082	25,588	26,092	27,014
7	23,848	24,927	25,902	26,442	26,981	27,955
8	24,543	25,691	26,720	27,293	27,869	28,894
9	25,240	26,458	27,538	28,145	28,754	29,834
10	25,937	27,223	28,355	28,999	29,643	30,773

~~(b)~~(2) The 9-month pay schedule for institutional teachers for fiscal ~~year 1987~~ years 1988 and 1989 is as follows:

Annual Hours -- 1480 Note: Includes Insurance

Pay Matrix -- Teachers Matrix Type -- Annual

Term -- Nine Months

Education Level

YEARS OF EXPERIENCE (Step)	BA (Grade 1)	BA+1 (Grade 2)	BA+2 (Grade 3)	BA+3 (Grade 4)	MA (Grade 5)	MA+1 (Grade 6)
0	14,592	15,036	15,492	15,715	15,937	16,393
1	15,115	15,610	16,106	16,354	16,602	17,097

2	15,636	16,184	16,718	16,994	17,267	17,803
3	16,159	16,759	17,332	17,633	17,933	18,507
4	16,680	17,332	17,945	18,271	18,599	19,213
5	17,203	17,907	18,560	18,912	19,265	19,918
6	17,723	18,480	19,172	19,551	19,929	20,621
7	18,246	19,055	19,787	20,192	20,596	21,326
8	18,767	19,628	20,400	20,830	21,262	22,031
9	19,290	20,204	21,014	21,469	21,926	22,736
10	19,813	20,777	21,626	22,109	22,592	23,440"

Section 8. Section 2-18-314, MCA, is amended to read:

"2-18-314. Liquor store occupations pay ~~schedules~~ schedule. ~~(1)~~ The pay schedule for liquor store occupations for fiscal ~~year 1986~~ years 1988 and 1989 is as follows:

~~Annual Hours----2080~~ ~~Note: With Insurance~~

~~Pay Matrix----Retail Clerk~~ ~~Matrix Type----Hourly~~

~~Grade~~	~~$/Hour~~
~~-~~	~~W/Ins:~~
~~E1~~	~~-8.888~~
~~E2~~	~~-7.484~~
~~E3~~	~~-7.984~~
~~E4~~	~~-8.183~~
~~E5~~	~~-8.474~~
~~E6~~	~~-9.884~~
~~E7~~	~~-9.748~~
~~E8~~	~~10.492~~

~~(2) The pay schedule for liquor store occupations for fiscal year 1987 is as follows:~~

Annual Hours -- 2080	Note: With Insurance
Pay Matrix -- Retail Clerk	Matrix Type -- Hourly
Grade	$/Hour
	W/Ins.
L1	0.000
L2	7.683
L3	8.183
L4	8.463
L5	8.753
L6	9.363
L7	10.023
L8	10.773"

Section 9. Section 2-18-315, MCA, is amended to read:

"2-18-315. Blue-collar pay ~~schedules~~ schedule. ~~(1)~~ The pay schedule for blue-collar workers for fiscal ~~year 1986~~ years 1988 and 1989 is as follows:

~~Annual Hours 2080~~	~~Note: With Insurance~~
~~Pay Matrix Blue Collar~~	~~Matrix Type Hourly~~
Grade	~~$/Hour~~
-	~~W/Ins.~~
~~B1~~	~~7.836~~
~~B2~~	~~8.236~~
~~B3~~	~~8.636~~
~~B4~~	~~9.036~~
~~B5~~	~~9.436~~
~~B6~~	~~9.836~~

	~~B7-~~	~~10.236~~
	~~B8-~~	~~10.636~~
	~~B9-~~	~~11.036~~
	~~B10~~	~~11.436~~
	~~B11~~	~~11.836~~
	~~B12~~	~~12.236~~
	~~B00~~	~~12.636~~

~~(2)--The pay schedule for blue collar workers for fiscal year 1987 is as follows:~~

Annual Hours -- 2080	Note: With Insurance
Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
Grade	$/Hour
	W/Ins.
B1	8.153
B2	8.553
B3	8.953
B4	9.353
B5	9.753
B6	10.153
B7	10.553
B8	10.953
B9	11.353
B10	11.753
B11	12.153
B12	12.553
B00	12.953"

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Section 10. Section 2-18-703, MCA, is amended to read:

"2-18-703. Contributions. (1) Each agency, as defined in 2-18-601, shall contribute the amount specified in this section towards the group benefits cost.

(2) For employees defined in 2-18-701, other than members of collective bargaining units, and for members of the legislature, the employer contribution for group benefits shall be ~~$185~~ $115 per month for the fiscal ~~year~~ years ending June 30, ~~1986~~ 1988, and June 30, 1989, and $115 per month for each fiscal year thereafter. Permanent part-time employees who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution as wages. A portion of the employer contribution for group benefits may be applied to an employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act of 1965, as amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

(3) For employees of elementary and high school districts and of local government units, the employer's premium contributions may exceed but may not be less than $10 per month.

(4) Unused employer contributions for any state employee shall be transferred to an account established for this purpose by the department and upon such transfer may be used to offset losses occurring to the group of which the employee is eligible to be a member."

NEW SECTION. Section 11. Repealer. Section 2-18-311, MCA, is repealed.

NEW SECTION. Section 12. Effective date. This act is effective on passage and approval.

-End-